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The Nation's Business

- Two Views on Union Recognition
- Canadian Industry's and U. S. Steel's
- What Is Ottawa's Policy Toward Re-employment and Relief?
- Mr. Rogers's Statement Leaves Much Unsaid

Industry's Approach To Labor Problems

TWO labor "formulae" have been much discussed of late. One is the 1919 statement of certain spokesmen for Canadian industry; another, the Myron C. Taylor formula that settled the United States Steel Corporation strike.

The Financial Post puts both on record here because they are important documents at this time.

A National Industrial Conference was held in Ottawa in September, 1919. At that conference, three men representing employers' groups brought in a report. This was their recommendation:

"Your committee recommend that:

"(a) Employers admit the right of employees to join any lawful organization.

"(b) Employers should not be required to recognize unions or to establish 'closed shops'.

"Employers insist on the right, when so desired, to maintain their plants as 'open shops,' by which they mean that no employer should discriminate against any employee because of the latter's membership or non-membership in any organization, and no employee should interfere with any other employee, because of the latter's membership or non-membership in any organization.

"(c) Employers should not be required to negotiate except directly, with their own employees or groups of their own employees."

So far as The Financial Post is aware, no representative industrial or employers' group, whether the Canadian Manufacturers' Association or otherwise, has brought in any different statement since that time. To the extent, then, that Canadian industrialists have a common policy, this is it.

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THE U. S. Steel statement, agreed to by the company and by the Committee for Industrial Organization, reads as follows:

"The company recognizes the right of its employees to bargain collectively through representatives freely chosen by them without dictation, coercion or intimidation in any form or from any source. It will negotiate and contract with the representatives of any group of its employees so chosen, and with any organization as the representatives of its members, subject to the recognition of the principle that the right to work is not dependent on membership or non-membership in any organization, and subject to the right of every employee freely to bargain in such manner and through such representatives, if any, as he chooses."

It should be noted that this statement is generally regarded by United States industrialists as going much further than they consider desirable or useful. Certain phases of the statement are definitely opposed by many industries, large and small.

The Financial Post is from time to time publishing in a series of articles the views of many Canadian employers on problems of labor relations.

The editors would welcome, for publication, the views of any of its readers on the two statements above published, or on the views published in our industrial relations articles.

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Is Re-employment a Temporary Job?

WHEN Prime Minister King returns from the Imperial Conference the public ought to have a statement from him regarding the work of the National Employment Commission. The Minister of Labor, Hon. Norman McL. Rogers, was quoted the other day as saying that employment is improving rapidly and that it may not be necessary to continue the Commission for a long period. "It was only intended to be temporary," he said.

Yet only a few days later the chairman of the National Employment Commission, Arthur B. Purvis, was speaking of the need for putting relief expenditures on a more businesslike basis "in order that control may be regained of a situation which is already badly out of hand." He referred bluntly to "existing chaos."

All this leaves the taxpayer very puzzled. Mr. Rogers is preparing the way for winding up the Commission, while its chairman confirms what the public has long suspected, that relief is wastefully, extravagantly conducted—for that is what Mr. Purvis's words, quoted above, clearly imply.

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IT IS true that employment is gaining rapidly. But the cost of what is called relief is not lessening in the same degree. One reason is that the Dominion continues the practice of handing out monthly lump sums to the provinces, apparently without demanding relief budgets from the provinces or making an adequate check of the measures undertaken by them to create con-

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Oblivion Threatens Conservative Party Unless Crisis Met

Ill-advised Move on Leadership or Delay in Formulating Major Policies Seen as Potential Factors of Disintegration

By A POLITICAL OBSERVER

(This is the second of three articles on the leadership prospects and future outlook in the federal field of Canada's political parties.)

OTTAWA.—Unlike the mule, the Conservative Party has both pride in its ancestry and hope of posterity. The chief worry of the party concerns neither its past nor its future, but simply its present.

That present bristles with the most formidable difficulties, not alone of leadership, but equally, or even more so, of policy. The party appears to be heading, unless it pulls up short and takes careful bearings soon, straight for disintegration and oblivion.

A wrong settlement of existing leadership uncertainties, an unwise course in the even more major realm of policy, could very well mean, in the party's weakened state, its disappearance as an effective factor in the Dominion. Thus, did the once-great Liberal Party disappear as an effective entity in Great Britain.

Effect on Liberals

If the Conservative Party should disappear, what would become the "opposition" and the alternative government in the event of the defeat of the Liberal Party? It could only be a fusion of "crank" groups at present in a hopeless minority, but prepared to do any amount of log-rolling to get into power. They include the so-called currency reformers, the tariff extremists, the personal adventurers in politics who do not know sincerity and recognize expediency only, the amateurs in Utopia who grope noisily but uncertainly, like children playing blindman's buff.

Conservatism is in danger of practical disappearance if either of two eventualities should materialize.

(1) If the party leadership should fall into the hands of some of those who are ambitious for it.

(2) If the party should postpone much longer taking a stand of definite statesmanship upon what constitute the vital problems of the Dominion, and should continue its present endeavor to chart a day-to-day course of opportunism.

A Real Menace

The possibility of either or both of these eventualities coming to pass is so actual as to be a real menace to Federal Conservatism at a most critical juncture.

The impartial view here upon the leadership phase of the Conservative situation is broadly this: Never before, in all Canada's political history, has uncertainty in the future leadership of one of the major parties existed with such complete absence of any logical candidate for the post—or with such impudent presumptions on the part of so many mediocrities.

Parliament Hill can hardly believe its eyes when it gazes upon some of the aspirants for the R. B. Bennett mantle. For a neophyte in the party to fancy himself in the leadership rôle; for an ex-minister whose only achievement in office was his success in ignoring a great national problem to suggest that he is qualified to deal with the larger questions of nationhood; for still others without any vestige of national reputation or of exceptional qualities to grasp at the mantle of leadership—such phenomena simply surpass the comprehension of experienced observers.

About all such candidates only one comment need be passed: The Federal Conservative party could not select any one of them and survive.

Criticism of Bennett

That criticism exists within the Conservative party itself of continuance of Mr. Bennett's leadership must be freely admitted. If they knew the "inside story" of the circumstances leading up to the ill-fated "reform policy" which pulled the party fortunes down to their lowest ebb, perhaps they would blame Mr. Bennett less.

It is not widely known, for example, that before he adopted the reform policy Mr. Bennett offered to resign and leave public life in favor of a coalition government that would deal on a non-partisan basis with the railway question and with the broad Federal financial problem.

No sooner had he led the party into power in 1930 than Mr. Bennett had to bend all his efforts to bring-

(Continued on page 13)

Higher Profits For Int. Power

Increase of $2.6 Millions in Earnings of Subsidiaries

International Power Co. reports combined net earnings of subsidiary companies in 1936 of about $2.6 millions, an increase of $21,127 over those of the previous year. Net income shows a moderate gain over 1935. Despite an increase of $240,000 in dividends paid on International Power preferred stock, the net book deficit on the general income statement shows only a minor increase compared with the year before.

Consolidated balance sheet shows a contraction in assets from $38.4 millions to $37 millions. Property retirements, together with $1.8 million written off for tramways and steam railway properties in Porto Rico, partly by transfer from reserves and the balance of surplus account, together with other adjustments, resulted in a net reduction in property account of about $1.5 million.

During the year the funded debt of subsidiaries showed a net increase of $236,500. An issue of $1.5 million 2½-year secured notes was sold by Porto Rico Power, proceeds being applied toward redemption of the first mortgage bonds and for expenditure on capital account.

During the year bank loans in Canada were reduced by $700,000 while loans in foreign currencies were increased by $301,248, leaving a net reduction in bank indebtedness of $398,751.

Silverwood Profits Gain

Earnings Equivalent to 50 Cents a Share on Preferred

Silverwood Dairies Ltd. is making application for listing of its capital stock on the Toronto Stock Exchange. There are 145,000 no par value preferred shares and 176,623 common shares distributed among several thousand holders, mainly in Ontario. A. E. Silverwood, president, stated a year ago that such an application would be made.

The first report since consolidation of the enterprise into one operating company, shows net profits for the year ended April 3, 1937, equivalent to 50 cents a share on the preferred stock. One year's dividend, or 40 cents a share is now in arrears on the preferred.

On a comparable basis, the earnings of the preceding year were equivalent to 11 cents a share on the present preferred stock.

The report shows first mortgage bond interest covered 4.46 times after all charges compared with 3.77 times in the preceding year. Earnings in the latest year exceeded 1.8 times interest on the 6% debentures.

Comparative Results

Working capital has been increased to $396,404, largely by means of new financing completed last year. Prior to consolidation, working capital was only $82,693.

After reporting an increase of over 10% in sales, Mr. Silverwood, points out that net profit as shown in the statement is not strictly comparable with that of the preceding year because of issue of debentures for 50% of the par value of old preferred shares. The comparable net earnings figures are $159,780 against $101,654. The improvement, he states, was effected despite an increase of $30,000 in sales tax.

Comment on Dividend

As to the accumulation of 40 cents a share annually on the preferred stock, Mr. Silverwood explains:

"At the time our refinancing was arranged last year, the company covenanted that it would not pay dividends that would reduce the working capital below $300,000. Further, the company covenanted that so long as any of the bonds remained outstanding it would not pay any dividends if by this payment the surplus would be reduced below $100,000. The company now has nearly $400,000 of working capital and has an earned surplus of over $130,000. Dividends on the preferred stock are in arrears 40 cents per share. Also the common stock is entitled to 40 cents per share per annum after the 40 cents per share cumulative to preference stock has been paid, and

(Continued on page 2, col. 5)

Ontario Vote Seen Likely In Six Weeks

Ottawa Observers Thus Interpret Hepburn Party Defection

COALITION PLAN

From Our Own Correspondent

OTTAWA.—Federal speculation on the significance of Hon. Mitchell F. Hepburn's deliberate break with Rt. Hon. W. L. Mackenzie King covers a wide range. From the belief that the move presages a provincial general election before another six weeks is over, conjecture jumps to the rather bizarre suggestion that the Ontario Premier is in process of changing his politics, and is destined to take his place before long as a power in the Conservative Party.

The first opinion has the wider circle of adherents. That Mr. Hepburn had a definite motive for speaking as he did, when he declared himself "no longer a Mackenzie King Liberal," is inferred from the deliberate circumstances under which he launched the statement. Parliament Hill does not believe however, that Mr. King or the situation between Mr. King and Mr. Hepburn could have been the motive.

For the Federal Prime Minister is in England, engrossed in the major issues of an Imperial Conference, and altogether unlikely to give any attention to the incident.

Political Union Motive?

On this account, Federal Liberal circles are satisfied that Mr. Hepburn's motive was a general election which he purposes calling at an early date. They claim to have definite information from reliable provincial sources to the effect that the Ontario Premier still intends to go ahead with his proposal for a union government, and an appeal to the voters for a mandate to pass labor legislation which will prevent C.I.O. activities in the province.

As a preparation for such an appeal, he is believed to have publicly renounced his Federal Leader to demonstrate to the people the extent to which he is prepared to put his province ahead of his politics where C.I.O. activities are concerned.

According to the reports which the Federal wing of Liberalism hears, Mr. Hepburn will announce his union ministry and the date of a provincial election whenever the C.I.O. organizers tie-up the mines of Northern Ontario. That they have been working among the mine workers for some months past is well known. The mine owners, furthermore, have stated in advance that they will not submit to C.I.O. dictation.

Coalition Cabinet Ready

The understanding on Parliament Hill is that they announced that decision with the assurance of full support from Mr. Hepburn. Consequently, when the C.I.O. demands are presented to the mine owners and refused by them, the Ontario Premier is expected to declare a state of emergency to exist and to announce his coalition cabinet.

The report in Federal Conservative circles is that Col. George A. Drew, who resigned as Conservative organizer recently because of the party's apathy on the C.I.O. issue, will be Attorney-General. He is in England at present, and is rumored to be making a study of British labor legislation, with a view to the coming Ontario campaign.

Those who look upon Mr. Hepburn as a future Conservative base their prophecies upon the fact that, in the election which is anticipated, he will depend largely for his success upon the Conservative support that he will attract. He is generally conceded to have split his Liberal following badly by his attack upon the federal Liberal leader. Under such circumstances, the belief is that union government will be only a preliminary stage on Mr. Hepburn's part toward his becoming a full Conservative, thus adding one more name to the list of such distinguished conversions as Sir Robert Borden, Hon. Dr. R. J. Manion, and Hon. Hugh Guthrie.

Harding Carpets Pays Another 10c Dividend

Harding Carpets Ltd. has declared a dividend of 10 cents a share on its common stock, payable July 2, 1937, to shareholders of record June 15.

A net profit of 19 cents a share, after depreciation, taxes and other charges, was realized by Harding Carpets in the six months ended April 30, 1937. This compares with profits of 17 cents a share in the corresponding period of the preceding fiscal year.

Shipments during the six months ended April 30, 1937, were 25% higher than in the same period of 1935-6 and orders booked for future delivery are in excess of last year at this time.

Air Force Pilots Withdrawn From Civil Flying Services

From Our Own Correspondent

OTTAWA.—Because all the available pilots of the Royal Canadian Air Force are required under the Dominion's enlarged programme of defense to train new recruits in the flying corps, commercial aviation companies are to be given the opportunity of taking over certain Federal Government services which the flying corps has hitherto been carrying out.

The flying corps pilots, it is learned reliably on Parliament Hill, are being withdrawn as rapidly as circumstances will permit from forestry patrol duties, from aerial photographic survey work, and from services co-operating with the Royal Canadian Mounted Police. The departments chiefly affected by the withdrawal are the Parks Department, the Department of Natural Resources, and the Justice Department.

In these departments the statement is made, however, that the services from which the flying corps pilots are being withdrawn will not necessarily be discontinued. While some of them admittedly will be pruned, the bulk of them would be carried on by means of contracts entered into with private commercial aviation companies.

$35 Gold Safe for Present—Future Hangs on World Trade

Dominions Prepared to Make Concessions to Keep U. S. Price

CLEAR WAY FOR PACT

Special Cable
From Our Own Correspondent

LONDON.—In the shadow of the gold crisis the statesmen of the Empire set themselves this week, with renewed determination, to do what they could to get world trade moving again in order to support the international monetary structure and make gold manageable at present prices.

The British nations have had their fill of currency chaos and are prepared to make substantial sacrifices, if by so doing, they can promote the equilibrium of the foreign exchanges and assist the world through the present trying days.

In last week's cable I reported that the delegates from the British Dominions had been supplied with a précis of the trade discussions between Great Britain and the United States looking to the signing of a trade pact between these two key countries.

To Mr. King and Mr. Dunning, already familiar with the terms of the proposed agreement the précis presented no new and controversial topic for discussion. But it was different with the delegations from other Dominions. To put it quite bluntly, the précis came to them as a dash of cold water upon their hopes for enlarged markets in the United Kingdom.

Australian Opposition

The Canadians knew that approval of the Anglo-American pact would jeopardize to some degree Canadian markets in Britain for lumber and for dried, canned and fresh fruit and some other products. Australians were not aware that fruit was one of the key items under discussion until they read the document handed to them by Mr. Chamberlain. Mr. Lyons and his colleagues were extremely shocked and made their views known in no uncertain terms. It was primarily Australian opposition that led to reports from London this week that the whole Anglo-American trade pact was off, finally and for good.

But there is one factor that is holding the conference together and that promises to stiffen the determination of all those engaged in it to persevere with their effort to clear the way for the United States-United Kingdom treaty. That factor is gold. It is Washington that is holding gold where the Empire countries want it. And the Empire countries have no desire to affront Washington at this time. If it were not for gold, certain of the Dominions' delegations would pack their bags right now and sail for home, making no concessions at all in the system of Imperial preference.

Gypsum Board Plans Meeting

Former Director Attacks Chairman But Allegations Are Denied

Directors of Gypsum, Lime and Alabastine, Canada, Ltd., have decided to call a special general meeting of shareholders as requested by the minority group supporting R. E. Haire in his bid for control of the company. While there may have to be a later change, it is understood that present plans call for a meeting on July 15, 1937.

Col. Henry Cockshutt, chairman of the company, is subjected to attack in a letter sent to Gypsum shareholders by R. S. McCurdy. Mr. McCurdy is a former director of the company who resigned in 1933.

The McCurdy letter to shareholders contends that R. E. Haire, former president, was ousted from his position unjustifiably. The company under Mr. Haire, according to the McCurdy letter, "enjoyed large earnings and the shareholders were paid generous dividends each and every year for more than 30 years, until stopped by the depression."

McCurdy Statements

In support of his contention that no change in management was necessary in 1933, Mr. McCurdy says: "There were no overdue liabilities and the bonds were not in default nor was there any apparent possibility that there would be a default. There was no such thing as the creditors asking for a change in management since there were no overdue liabilities."

Gypsum has failed to maintain its position in the trade under the present régime, according to Mr. McCurdy, and has not shown the growth in sales volume that has been shown by its chief competitor, Canadian Gypsum Co., subsidiary of United States Gypsum Co. There has been "a 97% improvement in residential building for the first four months of 1937 as against a similar period of 1936," but Gypsum, Lime has only shown an improvement of 15 to 20%, he states.

Officials' Reply

Officials of the company point out that in 1936 the total volume of building permits in Canada was actually less than in 1935, but Gypsum, Lime sales increased $380,000 in 1936 compared with 1935.

"The present management has not kept pace with business improvement, and consequently has been unable to make the required pay-

(Continued on page 2, col. 6)

Soviet Gold Export Seen As Savior of Capitalism

One of the immediate causes of recent concern over the price of gold was the huge increase in Russian supplies. Washington, which did not mind underwriting recovery in British countries by buying gold at a fixed price, was less enthusiastic about underwriting the collectivist experiment in Soviet Russia. Yet that is what Washington's gold purchases have been doing.

SIR JOSIAH STAMP

Sir Josiah Stamp, eminent British economist, sees the new production of gold in Russia in a more favorable light. In Detroit the other day and again in London, Ontario, he remarked that Soviet gold may have, paradoxically, saved the world's capitalist system.

The Financial Post approached him on the statement. "Just exactly what did you mean?" asked The Post.

"What do you think I meant?" Sir Josiah countered.

"You might have meant any one of three things," The Post said.

Three Benefits

"You might have felt that the new supplies of gold were desirable because they removed the possibility of the world's monetary system and price structure suffering from the deflationary effects of a gold shortage.

"You may have welcomed the new production because it gave new strength to the economic reconstruction of Russia and thus lessened the possibilities of a collapse in that country which might prove disturbing to the whole world.

"Thirdly, you may have been referring to the fact that Russia's gold enables her to obtain foreign balances with which to buy foreign machinery and supplies."

The British economist replied:

"As a matter of fact I had all three things in my mind but more particularly the last one.

"The great importance of the new Russian gold production is that Russia now has the means with which to pay for the foreign products that she must import. Three or four years ago, Russia was able to build up foreign balances only by dumping wheat, timber and other products on the world's market at sacrifice prices. These exports, made without reference to costs of production which mean nothing in Russia, were a very bearish factor on the world price level and greatly injured all other raw material producing countries, including Canada.

Can Obtain Balances

"Today Russia does not have to throw such commodities on world markets. She can retain more of her production at home to raise the standard of living of her own people.

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Gold Assumes Status Of Public Commodity

Control and Redistribution May be Next Steps to be Considered

By WILFRID SANDERS
Mining Editor, The Financial Post

Affecting as it does nearly every phase of international relationships, recent developments in the gold situation are of tremendous worldwide significance.

Because of its position as an exporting and gold producing country, Canada is, in her domestic and external affairs, even more acutely affected than, perhaps, many countries. In a recent trip across Canada, the writer found that the topic of gold was being more generally discussed in this Dominion than any other single subject.

From this domestic point of view, one important recent development is the definite, unequivocable recognition of the utility of gold, as a monetary reserve, and as a necessary tool in achieving what has now become the world's great objective—namely the maintenance of peace through economic disarmament. There is no question of where gold will fit into the monetary system of tomorrow. The only question is that of the price equation between gold and currencies.

That the United Kingdom is now giving tangible—if perhaps temporary—support to the Roosevelt-Hull drive for freer exchange of world's goods, in which currency stabilization is sine qua non, was evident when, a few days ago, Great Britain raised the price of gold to 140 shillings, 8½ pence, or $34.72 an ounce. It was done to discourage shipment abroad. At the same time, Britain's allegiance to the stabilization agreement made last September with United States and France was reaffirmed.

Eyes Turn to London

Those who have followed the articles from The Financial Post's correspondents covering the Imperial Conference in London, and, still earlier, the series of articles from Washington appearing in this paper, will have appreciated fully that gold

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Highlights

C.M.A. President

Capt. Frank Currey Brown, head of Canadian Manufacturers' Assoc. for 1937-8, plans to advance some of his ideas for Canada. page 7

Ontario's Gold Mines

Gain in tonnage milled and bullion recovered shown for the first quarter of 1937, according to the Ontario Department of Mines figures. page 27

Bridge River, B.C.

This B. C. mining district has its troubles and uncertainties, but at least two properties, Bralorne and Minto, have recently found indications of higher grade ore and larger ore reserves. page 3

Newfoundland

Improved outlook for fisheries, forestry and mining brings new optimism to the island colony.

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Canadian Hydro Plans Analyzed

From Our Own Correspondent

MONTREAL.—On the basis of 1936 earnings, the initial equity in income accruing to first preferred shareholders of Canadian Hydro-Electric Corp. under the proposed new capital arrangement would be less than under the present capital structure.

On the other hand, it is noteworthy that as earnings increase, under the proposed exchange of Canadian Hydro shares into Gatineau Power stock, the equity of the first preferred in earnings will increase with the company's revenues. Analysis of the proposals shows that in time it is possible for present holders of Canadian Hydro first preferred to have a greater share in earnings than is possible under the fixed 6% return on the present shares.

Detailed analysis of the proposed reorganization that would wipe out Canadian Hydro and consolidate its shares into stock of Gatineau Power Co. appears on page 5.

B. C. Cabinet Drafts Plans

Returned to Power, Liberals Grapple With Problems

From Our Own Correspondent

VANCOUVER. — Fortified by a safe majority again, the Liberal Government of Premier Thomas Duff Pattullo plans to go right ahead with its programme. The basic objectives are:

1. Better terms for British Columbia in the form of increased subsidies and a readjustment of taxation jurisdiction.
2. Annexation of Yukon Territory.
3. Continuance of the financial policy initiated by Hon. John Hart, minister of finance, for the handling of $100 millions of B.C. debt maturities in the next five years.
4. Retention of the sound money programme and rejection of all plans aiming at repudiation of debt in any form. There will be no default, says Mr. Hart.
5. Probable revision of the health insurance plan and, in compliance with the recent plebiscite, enactment of a measure providing compulsory health protection for those with low incomes.
6. Greater attention to trade and commerce as a provincial matter, with appointment of a minister for those departments.
7. Amendment of the Securities Frauds Prevention Act with a view to tightening up clauses dealing with the financing of mining companies.

The election saw the obliteration of most of the hybrid groups and -isms in B.C. politics. The Social Credit League, never conceded much of a chance, surprised no one by failing to elect a single one of its 18 candidates.

British Action Gives New Lease of Life to U. S. Policy — Crisis Lifted

MAY BE PERMANENT

Special Cable to The Financial Post
From Our Own Correspondent

LONDON.—World finance met another gold crisis this week and did a job of patching that may stand for a long term. And if the highest hopes of statesmen for a new economic appeasement are realized the job may prove permanent.

The announced decision of the United Kingdom Treasury to buy gold at a fixed price equivalent to $34.72 an ounce, whenever necessary to avoid undue fluctuations in exchange, provides renewed assurance against any early collapse of the gold price structure.

But it was at best a case of Britain rushing to the side of the United States in absorbing a new flood of dehoarded gold. Britain has in no sense pegged gold for an indefinite period. Nor has Washington yet given assurances—good for more than a limited period—that it will continue the purchases that are building up its embarrassingly large stock of the yellow metal.

Future for Gold

With the temporary crisis in gold lifted, the attention of finance ministers and international bankers turns to the longer term picture. What is the prospect of gold holding at its present level? This is the question that they pose. It is the answer to that question, more than news of day to day developments that they seek.

London is convinced that the answer lies in the field of world recovery. This view is held by most of the delegates to the Imperial Conference now in session.

Dehoarding Claims

The wide swings in gold prices on the London market during the week and the wild rush of private speculators to unload the metal alarmed the conference as an earthquake might have alarmed it. To delegates from Australia, Canada and South Africa the dehoarding seemed to carry portents of disaster.

The British treasury was unable to present any evidence from Washington that the United States would continue to maintain the present price. There was not a scrap of any agreement or guarantee from Washington that could be laid before the conference. In fact, the official reassurances from Washington, that no action was contemplated now, were regarded as more significant for what they may have been concealing than for what they actually said.

The delegates and financial London as well seized upon one word used by Secretary of the Treasury Morgenthau in his statement that no change in United States gold policy was imminent and they made the most of that word.

One financial writer of international reputation went to Dr. Johnson's dictionary to see what "imminent" meant. He found it there defined as "impending; at hand; threatening." With such connotations for the word before them, financial observers found scant comfort in the assurance that no change was imminent, especially when they observed the next quotation in Dr. Johnson's dictionary which read, "What dangers at any time are imminent, what evils hang over our heads, God doth know and not we."

London Stand

London's view is candid; it is that, considering the largely increased supplies of new gold and the enormous quantities now coming out of hoarding, the world's economy, with its present volume of trade and the present level of prices, cannot maintain the current price for long.

The British treasury, in entering upon a tentative gold-buying policy, had to make a choice between, on the one hand, letting the world suffer the far-reaching and certainly unfavorable consequences of an early reduction in the price, and, on the other hand, the more nebulous, and possibly to be averted, consequences of building up larger stocks in the hands of governments carrying them at an artificial price.

There were very weighty, although very informal, discussions of the problem among members of the Imperial Conference. The decision was unanimous for taking the longer term risk and for avoiding the immediate consequences of gold revaluation.

The conference realizes, just as Washington realizes, that the future of gold is dependent upon world trade.

At the moment, the greatest opportunity for economic appeasement, for trade disarmament, lies in the economic rapprochement between the United States and Great Britain and in a larger sense between the United States and the entire British Empire. Every delegate here from

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BAY STREET SECTION

EATON'S-COLLEGE STREET

$35 Gold Considered Safe for Present

(Continued from page 1)

any one of the British Dominions realizes this. But this realization has not served to make the concessions that the Dominions must allow in the United Kingdom market any more palatable or easy to accept.

The negotiations for an Anglo-American trade pact and for a rewriting of the system of Imperial Preference are bound to be prolonged. But that they will ultimately win out and thus lift the whole issue of world trade and the gold price level out of the speculative market place is still the thought highest in the hopes of statesmen.

The most important fact in the situation is that the danger is realized. Washington has no intention of making the task of the conference too difficult; London has no desire to ignore the very real contribution to Empire recovery that the United States is making by its gold-buying policy. The common interest of all the Anglo-Saxon countries is the guiding star.

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The Nation's Business

(Continued from page 1)

ditions favorable to re-employment or reduce the net cost. A recent rumor that such an accounting might be asked brought from the Premier of Quebec a statement that provincial rights were being invaded, as though the Dominion had no right to ask for some control over money it raised from the taxpayers. In certain provinces an effort is being made to rid the relief rolls of people who should not be there, but relief racketeering on a large scale still persists.

When the Commission was appointed, it was charged with a number of tasks. One of them was advising the Government on employment and relief measures. Another was to co-ordinate relief programmes. Now that Chairman Purvis has spoken publicly of the need for budgetting and control of relief funds, the Commission can hardly be accused of approving the haphazard administration now being given to relief expenditures. Among other duties imposed upon the Commission was the study of special problems such as those of apprenticeship, disabled persons and unemployables as well as long range plans. If these problems have been studied, and if reports on them have been made to the Government, the public has no way of knowing the fact.

• • •

IT IS quite probable that the problem of unemployment and relief is rapidly becoming something quite different from what it was when the Commission took over a year ago. Now the difficulty is not to find work for trained men and women. There is developing a distinct shortage of labor in many trades. Rather it is one of determining what to do about the "unemployables," those who cannot find work because of ill-health, because of physical deterioration during years of continued unemployment, because of lack of training in any specific trade or because of local conditions. There is a vast amount of work that can be done by a commission in studying problems such as these and working out solutions for them.

The National Employment Commission was Mr. King's major election platform. It was going to solve the country's most pressing problems. Mr. King did not promise that the problems would solve themselves, although natural recovery is undoubtedly weakening their grip. When the Great War was won, there were left social and economic problems more difficult to grapple with than the mere puzzles in military strategy that the war itself provided. And even when the war against the unemployment in the ranks of the employables is won, there will remain social and economic problems to be dealt with. The relief bills provide evidence of that fact as do the personal difficulties of some scores of thousands of young and old men and women.

• • •

THERE is much work for the National Employment Commission yet to do. Its successful Home Improvement Plan indicates that the Commission is not without ideas and the enterprise to carry them through. The Home Improvement Plan is the only concrete, definite proposal to come from the Commission and be fully implemented by the Government. This raises in the minds of many citizens a very pertinent question.

The question is this: do we not hear more of the work of the National Employment Commission because the Commission itself has been dodging its responsibilities and wasting its time, or is it because the Cabinet has been pigeon-holing its proposals and declining to support them wholeheartedly or even to deal with them?

Mr. Rogers's statement was a little disturbing. The country is entitled to know if re-employment and the correction of the financial and social evils created by unemployment are still regarded by Mr. King's administration as problems as calling for as much attention as they were given during the election campaign. The country is entitled too, to know what steps Ottawa is going to take to get relief costs under adequate control, as suggested by Mr. Purvis.

Gold Assumes Status Of Public Commodity

(Continued from page 1)

is to play an important part in world news for the next few months, while the issue is being decided between renewed recovery and complete trade chaos. That the adjustment now sought is nothing less than an entire reconstruction of the world's financial and economic structure is now confirmed. In the articles just referred to, the view was taken that while the eyes of a gold-conscious world were on Washington, as being the anchor to the whole currency "system," it was from London that the next move would emanate. That move came this week. But there are many moves yet to be made before the game is played out—for victory or defeat.

Crystallization of the present situation can be approached by brief discussion of the half dozen or so main factors in the gold situation.

In the first place, as has been said, the universally accepted official view is based on the recognition of gold as a useful, even an essential weapon in the new crusade. In other words, all fears advanced by extremists in the past that gold was to be thrown overboard as a currency base have been rendered baseless. More than that, fears that the price of gold would be immediately stabilized by international agreement at something under the present approximate price of $35 per ounce have also been offset. Britain's action in raising the London price of gold narrows the margin of profit to be obtained by shipping gold to Washington. Prior to this action a profit margin of some 14 cents per ounce was obtainable. At time of writing, the profit was only about 5 cents per ounce, as the London price came closer to the Washington price.

As the third largest gold producer in the world, the confirmation of the current market for gold is obviously of prime importance to Canada.

Public Commodity

A second factor in the new gold picture also affects the future status of this metal. It is now more than ever apparent that the governments of the leading nations regard gold as a public commodity, desiring to get the world's supply under government or public control. To this end, a very useful result has accrued from the scare, which fears as to the future price of gold put into the hearts of hoarders the world over.

In the past few months, dehoarding of gold has gone on at a tremendous pace. Estimates of the amount of gold which remains to be dehoarded fluctuate all the way from a minimum of about $1,000 millions to a maximum of $2,000 millions. A year or so ago it was estimated by authorities that some $5,000 millions in gold were held in private account.

To the degree that gold becomes a public commodity, gold mines become in the nature of a public utility, with an internationally controlled price for their product.

Discussion of this dehoarding process leads up to the third point made evident by recent developments, namely that from now on the problem of gold absorption is reduced largely to that of handling only the new production of the world. Thus is the burden, formerly carried mainly by the United States, reduced to what may be a reasonable one. Today, the gold mines of the world are producing some $20.7 millions of new gold every week.

The problem of absorbing world production is lightened even more by the fact that Great Britain appears now to be willing to take some of the burden from the shoulders of the United States. This relieves a situation which was the crux of the recent world-wide gold scare, namely the ability, or willingness, of the United States to continue subsidizing world recovery by anchoring the price of gold in terms of currency, particularly as regards shipments from Communistic Russia. If, as was at least possible, the United States had said in effect: "We have tried underwriting world recovery by maintaining a fixed market for gold, but cannot continue to do so," the effects on world conditions would have been chaotic. For the moment this danger has been forestalled.

Mining Market

Holders of gold mining shares will find it desirable to keep their attention focused on international trade developments. Any move that promises to open up a larger volume of trade will be a move that will support gold. Any substantial rise in commodity prices will help support the gold price (although it will ultimately increase costs of production of gold).

If the world can produce and sell more at rising prices it will need a larger volume of currency to finance the movement. This currency will need the backing of more and more gold. A big enough world boom will make present gold supplies seem small.

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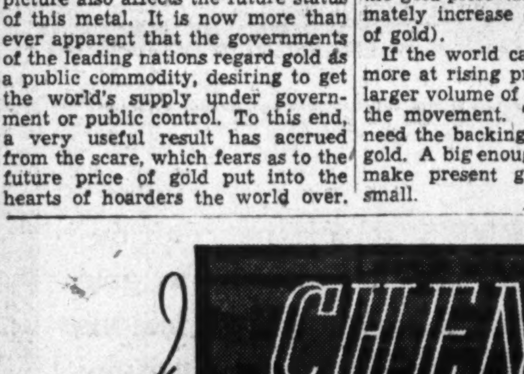

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Silverwood Net Profits Show Gain for Year; Apply to List Shares

(Continued from page 1)

thereafter, to participate rateably with the preference shares. We are hopeful that with improving business conditions our Governments will shortly be able to lessen this heavy burden of taxation; and with this in mind, we look forward to the future with confidence, with the knowledge that your interests are being safeguarded and that ultimately you will receive satisfactory returns on your investment."

Sales, Income and Surplus Account

	Years ended Apr. 3 1937 $	Mar. 28 1936 $
Sales	8,181,888	7,348,473
Less: Cost of materials	5,140,358	4,451,138
Direct expenses	1,988,964	1,900,950
Gross profit	1,052,566	996,385
Add: Miscel. rev.	52,416	50,618
Trading profit	1,104,982	1,047,003
Less: Admin. and indirect exps	604,628	572,170
Net earnings	500,354	474,833
Less: Res. for deprec.	250,952	264,142
Bond & mtge. int.	55,926	55,919
Dominion inc. taxes	16,650	33,922
Provinical corp. tax.	7,046	9,196
Amort. of patent license	10,000	10,000
	159,780	101,654
Less: 6% debent. int.	87,000	......
Net profit	72,780	101,653
Add: Previous surplus	81,871	1,550
Profit, pfd. redeemed	......	8,027
Less: Addit. taxes	20,124	8,235
Consolid'n exps., less capital surplus	2,257	......
Capital assets sold	......	21,125
Surplus forward	132,270	81,871

Working Capital

	1937 $	1936 $
Current assets	815,843	680,775
Current liabilities	419,439	343,462
Net working capital	396,404	337,313

Soviet Gold Exports Aid to Capitalism

(Continued from page 1)

She can sell gold abroad and obtain the balances she needs.

"That is what I mean when I say that Soviet gold may be saving the capitalistic system. It is because Russia has been able to abandon the exporting policies that were endangering that system in other countries."

Cash Position Bettered By International Hydro

From Our Own Correspondent

MONTREAL.—System Properties Inc., a subsidiary of International Hydro-Electric System has received $850,000 in cash, representing proceeds of sale to central main power companies of two undeveloped water power sources, one on the Androscoggin River and the other on the Kennebec River.

As System Properties is a wholly owned subsidiary and is indebted on open account to the parent company for a substantially larger sum, these funds are regarded as an addition to the available cash resources of International Hydro-Electric System. This payment brings cash on hand in the system's own treasury at the end of May to a total of over $1.9 million.

Gypsum, Lime Board Calls Special Meeting

(Continued from page 1)

ments to the sinking fund," writes Mr. McCurdy. "In February and March of this year, during very favorable conditions in the money markets, your company definitely was offered the opportunity of refunding at an interest rate considerably lower than that carried by its present bonds."

The statement that the company could have refunded its bonds at a substantial saving is denied by officials. This plan was investigated but not found practicable, it is stated, because of the requirement that the present bonds must be paid in sterling which was at a premium and also must be called at 103 at that time.

Says Profit Faked

The profit of approximately $48,000 showed by Gypsum, Lime last year would not have been left if the company had charged depreciation at the rates permitted by the Dominion, according to Mr. McCurdy. As a result of this profit, which, he says, was not a real profit, the company had to pay income taxes of $10,000. This, says Mr. McCurdy, was a waste of shareholders' money and done "obviously for the purpose of justifying higher salaries."

Drawing a parallel from the capital write-down made in 1935 in the Cockshutt Plow Co., Mr. McCurdy states that "unless Mr. Cockshutt is removed from office immediately, a reorganization of the capital structure of your company is close at hand."

Absolute denial that any reorganization is either needed or planned is made to The Financial Post by the management. In this connection, it is pointed out that Mr. Haire, who was president at the time, spoke strongly in favor of the capital reduction effected in Gypsum in July, 1935. This resulted in writing down assets by $4 millions and reducing the authorized common from 2,000,000 shares to 500,000 shares. This was made necessary, say company officials, because of losses actually incurred in Mr. Haire's régime.

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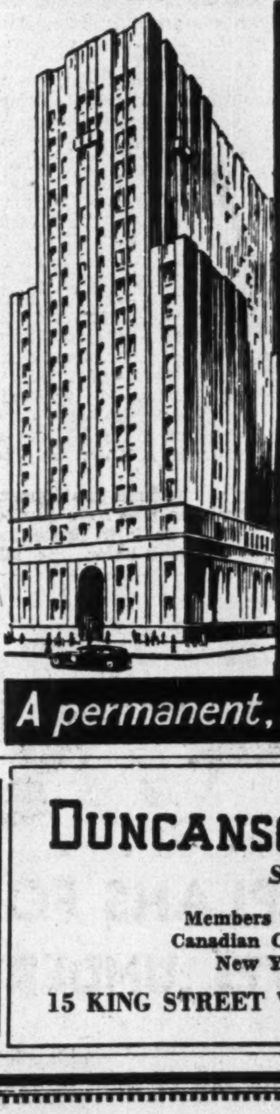

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Simpson's

Bralorne Picture Changing

New Veins Hold Promise of Higher Grade Ore for Bridge River Leader—Pioneer and Other Units Show Prospects

By **WILFRID SANDERS**
Mining Editor, The Financial Post

BRALORNE, B.C.—In many respects British Columbia's most important gold camp, the Bridge River Valley, threading its way between the high mountains which mark this area, today gives evidence that it can maintain this position for many years to come, under normal economic conditions.

The valley, like every gold camp in the world, has its troubles and uncertainties—property failures, labor unrest, market fears. On the other hand, developments have recently taken place, at Bralorne, and to a lesser degree at Minto Mines, which six months ago would have been sufficient to have stimulated the market price of Bridge River shares considerably.

In view of its relative importance to the province, it is surprising to find that a short gap in the motor road from Vancouver still prevents access to this gold camp by car, without resort to ferry or to shipping an auto by rail, from Lillooet to the town of Bridge River, on the Pacific Great Eastern Railway. This gap is only about ten miles long.

Accessible by Boat

At present the common method of reaching Bridge River is by boat from Vancouver to Squamish, a jaunt of three and a half hours, and thence by the Pacific Great Eastern Railway, which runs twice a week, to Bridge River. By this route, one can leave Vancouver at 10.30 in the morning, and arrive at Bridge River townsite (some 60 miles from the mines) by 11 that night.

The town of Bridge River, once the rail terminal for the Bridge River camp, appears to be giving place to the town of Shalalth, less than half a mile farther along the line. Thus the visitor who wishes to spend the night at the rail terminal, usually goes to Shalalth, where there are two hotels. Bridge River's last hotel recently closed its doors.

Today, chief activity at the town of Bridge River is the plant of B. C. Electric Co., which operates for the purpose of supplying power to the mines, 60 miles distant. To accomplish this, a tunnel was driven some years ago straight through Mission Mountain to tap the Bridge River on the other side.

From the town of Bridge River, regular stages operate into the mining belt. The difference between a stage and a bus appears to be largely a matter of size, and not, it seems, a matter of the number of passengers which can be carried. On one trip, the small, middle-price sedan, which was the stage, accommodated no less than 10 passengers, plus the driver, plus all the accompanying baggage, packsacks, and duffle. This mode of travel has one advantage. It prevents that bouncing-around sensation which a less occupied automobile would give over the mountain roads.

Leaving the town of Bridge River, and climbing Mission Mountain, one reaches a height of some 3,500 feet in less than 20 minutes. The car then descends into Bridge River Valley, via hairpin turns, the driver being warned by signs at intervals not to exceed a speed limit of 30 miles an hour.

Bralorne Mine

The two most important mines in the valley, from the standpoint of tonnage,, Pioneer and Bralorne, are situated at the far end, each having its own townsite in its own name.

At Bralorne Mines, the most important development since the annual report appeared some weeks ago is in connection with two new veins, known as the 59 and 53. These new bodies change the fault theory formerly held by the management, and add substantially to the grade and quantity of ore reserves. At the time The Post visited the property, these two veins were being opened up on the 6th and 8th levels. On the 6th level, No. 53 vein averaged 4.9 feet wide, and assayed 1.01 oz. per ton gold. On the 8th level, this vein was about 3.8 feet wide, averaging 1.22 oz. per ton. Some 325 feet had been opened up on the 6th level, and 310 feet on the 8th.

The new 59 vein averaged .91 oz. per ton over a width of 3.1 feet on the 6th level, where 290 feet of drifting had been done. On the 8th level, this vein averaged .50 oz. over a width of 2.5 feet. Some 662 feet of work had been done on this drift.

It will be seen from this that the 53 vein, while sacrificing some of its width on the lower horizon, improves in grade. The narrowing width is not, of course, indicative of conditions below the present bottom level.

Since none of this ore was included in the reserve estimate made by Ira B. Joralemon in the annual report, and since none of it has yet been fed to the mill, it will be seen that prospects of a larger tonnage, higher grade operation at this property have been improved. This season, the No. 53 vein will have been opened up from the 4th to the 10th levels. That Bralorne still has plenty of depths to work on is indicated by the fact that at the Pioneer, where the levels correspond approximately with those at Bralorne, work is being carried on at the 26th level, whereas Bralorne is down only to its 8th.

Probably by the time this appears in print, Bralorne will have started its new interior shaft to prove the conditions 800 feet below the 8th level, or 1,800 feet from the surface.

In its 16 miles of underground workings, Bralorne is today drawing millfeed from about 35 stopes. The mill is handling an average of about 460 tons a day, or 6,500 tons monthly. Operating costs are running about $6.54 per ton, with recovery per ton of about $15.59. This margin should be materially widened when the higher grade ore from the new developments referred to above is treated. About 70% of the values are recovered by amalgamation in the form of bullion, the remainder being shipped in concentrate form to the Tacoma smelter.

At present a new ball mill is being installed with a capacity of 225 tons a day, to replace one of three units at present in use. Shortly Bralorne will be handling 500 tons daily.

Labor Troubles

Like most mines, in fact like most industrial plants, Bralorne and Pioneer Mines are having their share of labor unrest, although to date a strike has been avoided. The Lewis-fathered Committee for Industrial Organization has been very active in the Bridge River camp. Most of the 350 men on Bralorne's payroll are wearing the little button of C. I. O. union membership. Bralorne miners recently voted to strike after one of their number had been fired for alleged carelessness underground. Before the strike was effective, however, a settlement had been made, the man being reinstated under certain conditions.

At Bralorne, a modified version of the workers' committee system used at Trail is in force, but some of the essential features of the Smelters system are lacking.

Pioneer is also largely organized under the C. I. O. but the management anticipates no trouble, feeling that the efforts of the company in the direction of community life, the comparatively high level of wages, and other factors will offset C. I. O. propaganda.

Pioneer Picture

Both underground and in the mill the position at Pioneer Mines remains little changed since the annual report covering the year ended March 31, 1937, appeared a few weeks ago. Major work during the past year has been the completion of the crosscut from the shaft to the vein on the 26th or 3,200-foot level. The vein is proving up satisfactorily at this depth, although insufficient work had been completed at the time of The Financial Post's visit to gauge average widths or values. H. T. James, managing director, places positive and indicated ore reserves at some 600,000 tons averaging 0.425 oz. per ton. This figure is substantially larger than the reserves of a year ago.

Development has not disclosed such rich ore in the lower part of the mine as was found in the upper part, says Dr. James, but the grade from the ninth to the twentieth has little appreciable difference. Only on the fourteenth level has higher grade ore appeared, but such values have not appeared below that, where the ore has been developed. On the twenty-third level, however, there has been some ore comparable with that on the fourteenth, and "some very nice ore" was recently opened up on the eighteenth.

In the mill, the new crushing plant installed early this year is proving satisfactory, adding flexibility to the milling operation. Economies made possible by treating higher tonnages should, to a certain degree, tend to offset possible rising costs.

Some miles east along the valley, the property of Minto Gold Mines is planning to add a cyanide unit to its mill, which at present carries the ore to the concentrate form, in which, with high-grade ore, is shipped to the Tacoma smelter.

W. A. Davidson, mine manager, told The Post that broken ore reserves at the present time stood about 10,000 tons. Recently the company has been opening up better than average grade on the new 7th or bottom level of the mine. The mill is handling about 120 tons of ore per day. In the last few months, this property should have about broken even on operations, but higher recovery would be necessary to cover development costs.

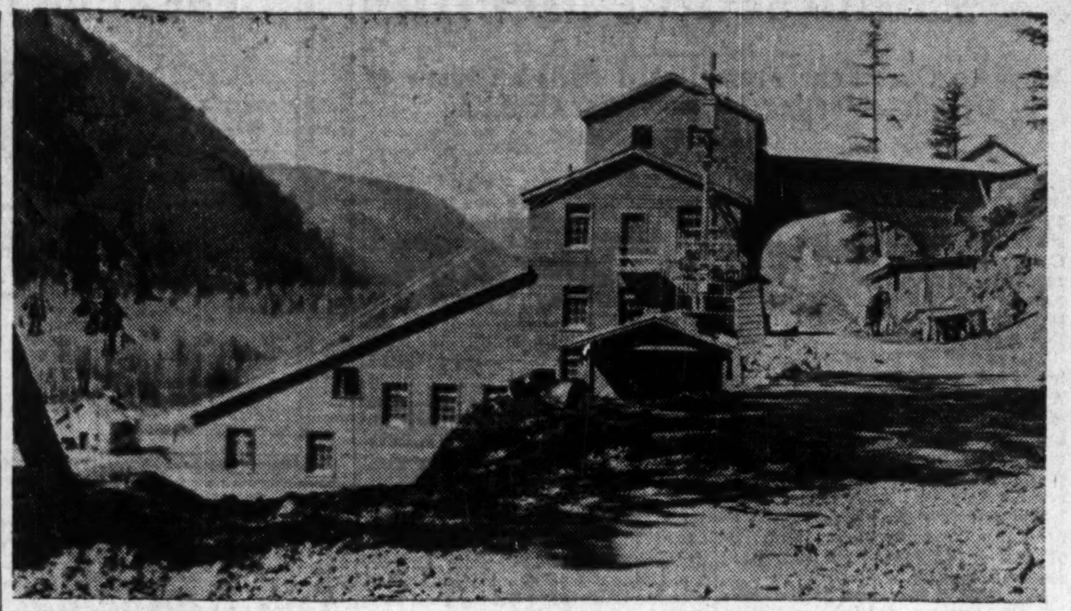
Minto Production

To date most of the gold values have been found in the sulphides, but the management believes that on the new bottom level, values may be obtained from the quartz, which would facilitate cyanidation of the ore. About 1,500 feet of crosscutting has been done on this level, with commercial ore just entered.

Last year, this property produced gold to the value of $290,130. Millfeed is currently higher than the 1936 average at approximately 0.3 oz. gold per ton.

Backed by English and French capital, B.R.X. (1935) Consolidated Mines, is carrying out development of the shear zone recently cut in the shaft at the 250-foot station. The shaft is being continued to the depth of 500 feet. Preliminary assays of this zone show encouraging values at this property, which is about two miles north of Bralorne.

Congress Gold Mines operation was suspended at the time of The Post's visit, while the company seeks additional financing. Disappointing results at Wayside Consolidated Mines has also resulted in suspension of operations, although the company has a new property in the Slocan district of B. C. Pacific Eastern Gold Mines, adjoining Pioneer, is also obtaining inconclusive results, although development work, on a restricted scale, is being carried out.



MINTO BREAKING EVEN

Straddling the highway along the Bridge River in British Columbia is the operation of Minto Gold Mines, which is producing concentrates for shipment to Tacoma and is shown via The Post's camera above. Cyanide equipment will, The Post understands after a visit to this mine, be added shortly, enabling the company to treat its own concentrates, thereby aiding in the all important drive on costs. The mine is breaking about even on its mining, The Post learned, but will need higher grade, or reduced costs, to allow coverage of its development costs.

Lots of Scope For Deep Work

Pioneer Meeting Told of Ore Conditions on Lower Levels

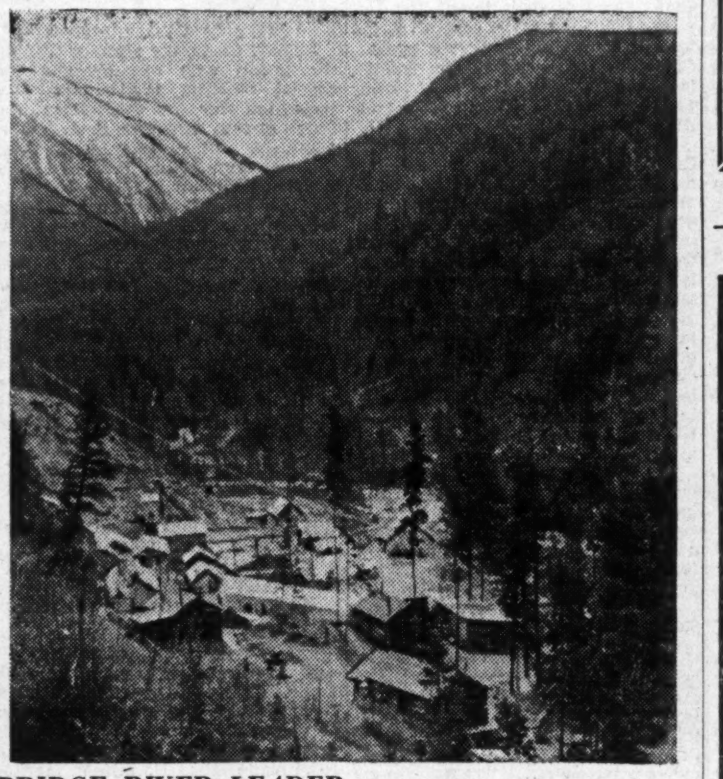
From Our Own Correspondent

VANCOUVER.—Development may be carried another 2,000 or even 4,000 feet deep at the Pioneer Gold mine, President Victor Spencer told shareholders at the annual meeting here. The company has reached the 26th level so far, according to Howard T. James, managing director.

Dr. James estimates that there are 600,000 tons of ore that can be mined at this time, and of that total 286,000 tons is still in the part of the mine about the fourteenth level. At no place in the mine, however, has ore as rich as that encountered on the fifth level been uncovered.

During the fiscal year ended March 31, the Pioneer mine produced bullion valued at $2,259,132 from 155,264 tons of ore, the net profit to the company being $914,529. The company has $506,719 in the bank and $160,575 bullion on hand or in transit. The company's investments in other shares and bonds is valued at $902,355.

Col. Spencer denied reports that the company contemplated development of another property.



BRIDGE RIVER LEADER

Underground developments, and the announcement that additional milling facilities are to be provided has made Bralorne Mines the headline mine in this British Columbia camp. The above view, taken by The Financial Post on a recent trip to this camp, shows part of the operation from the highway which skirts the mountain. Bralorne has met with particular success in developing two recently discovered ore bodies, details of which are given in the accompanying article.

Thompson-Cadillac Issues Stock on Warrants

From Our Own Correspondent

MONTREAL. — Thompson-Cadillac Mining Corp. has notified the Montreal Curb Market that as at the end of May last, there were issued 1,397 shares of stock in subscription warrants issued to the shareholders to purchase one share at 75 cents a share for each ten shares held by them.

Montreal Curb Market Suspends Trade in Coulson

From Our Own Correspondent

MONTREAL. — Montreal Curb Market announces that trading in Coulson Consolidated Mines is suspended until further notice. While no official statement is forthcoming as to the cause of suspension, results at the property are understood to have been inconclusive.

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FEAR vs. FACT

Fundamental business facts point to an acceleration of the recovery movement. Markets continue to reflect a fear which is not justified by these business facts. Our present review deals with this feature of outlook for Canadian business and Canadian markets.

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TIMMINS
NORTH BAY
BOURLAMAQUE

EXPLOSIVES

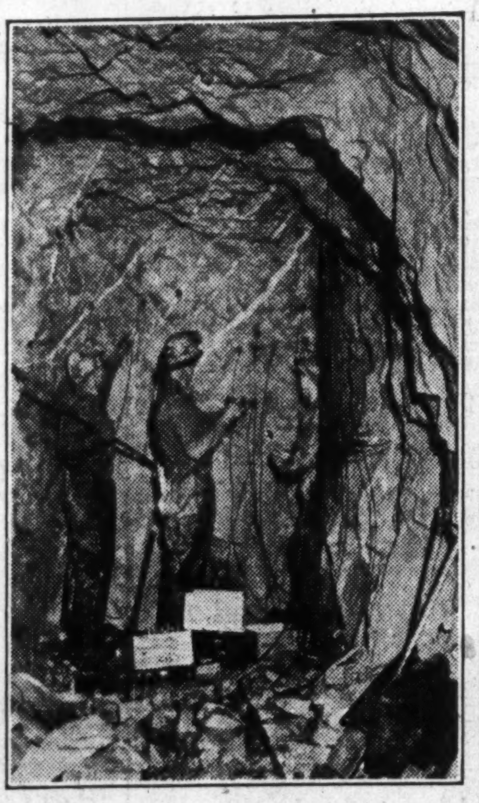
PROGRESSIVE PLANS FOR BRALORNE
TENTH LEVEL UNDERTAKINGS

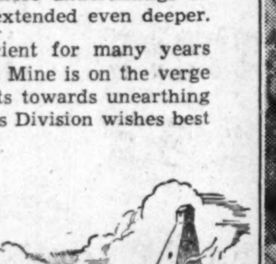
Having attained the leadership of British Columbia gold producers with a 1936 output of approximately $2,283,000, and a present monthly output of about $225,000, the Bralorne Mine has ahead of it an even more intensive programme than formerly.

Although as yet, comparatively little ore has been drawn from above the 10th level of the Empire section, plans are to sink a 3-compartment shaft from level No. 8 to the 13th level, a further depth of 675 feet. The outlook for successful development of Bralorne ore bodies below the 10th level is considered to be excellent in view of the proven continuity of ore bodies from the adjoining Pioneer Mine at the 23rd level.

The sinking of this new shaft will be but an initial move in the further developing of the Ida May and Blackbird veins, the entire programme to cover a period of some eight months. Should these undertakings be justified, the new shaft will be extended even deeper.

With known ore reserves sufficient for many years profitable operation, the Bralorne Mine is on the verge of a brilliant future. In its efforts towards unearthing new deposits, the C-I-L Explosives Division wishes best success.





At all times, C-I-L offers quick service on efficient, dependable explosives. Mining men throughout British Columbia and other parts of Canada are familiar with C-I-L explosives— know of them as the best in blasting equipment. They know, too, that the C-I-L Technical Department is always ready to lend assistance with difficult blasting problems.

ET56

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EXPLOSIVES DIVISION
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BRANCH OFFICES
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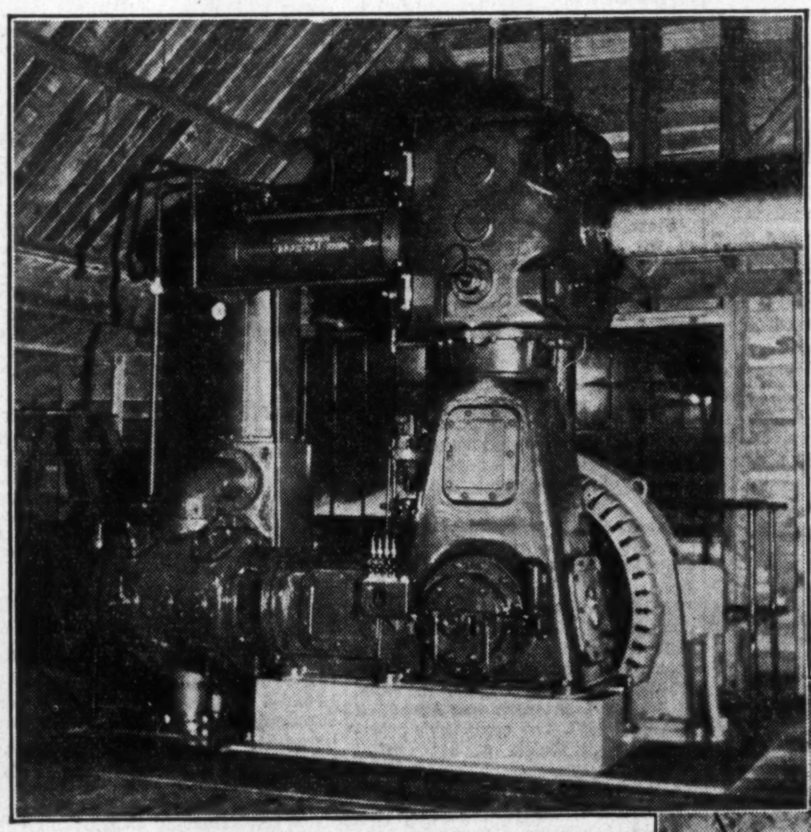
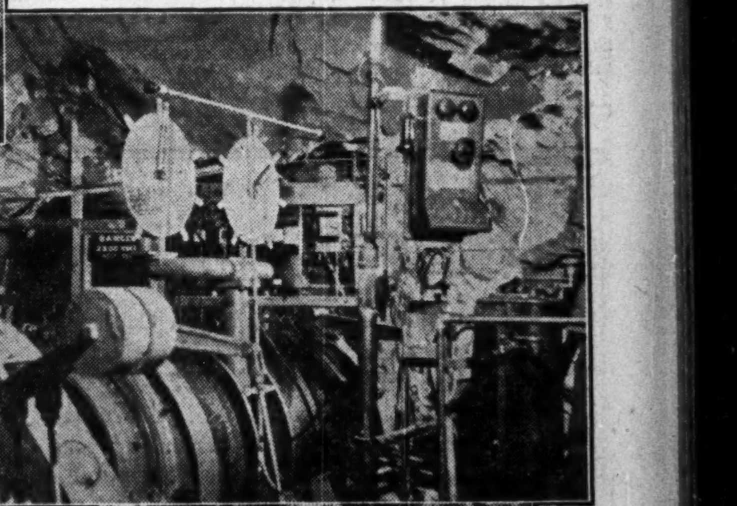
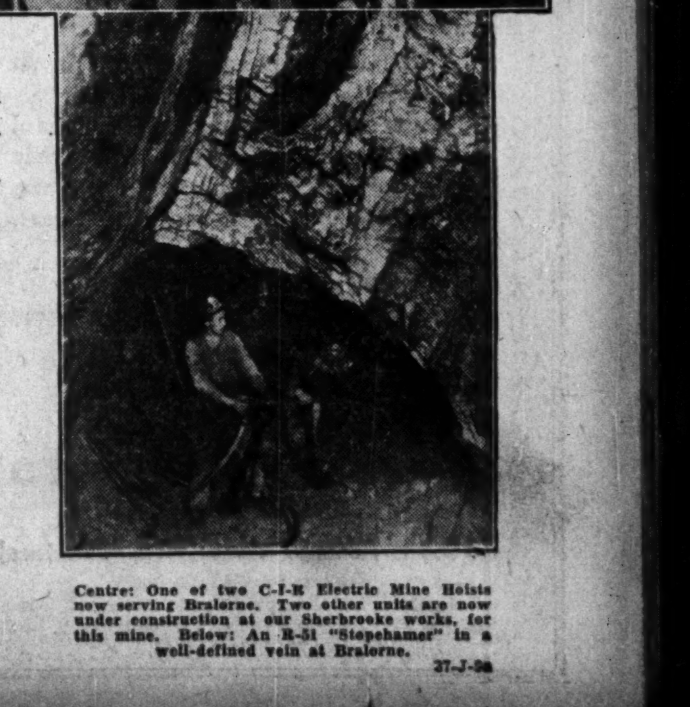


Class XVHE-2 Air Compressor installed at Bralorne Mines Limited in 1937. Capacity: 2089 cubic feet per minute. Three other C-I-R Compressors serve this mine.

CIR

Compressors
Hoists
Drills
Pumps, etc.
serve
Bralorne Mines





BRALORNE'S important contribution to British Columbia's gold production has been aided since the beginning by Canadian Ingersoll-Rand Equipment.

Here, as at many other mines in British Columbia and throughout Canada, Canadian Ingersoll-Rand Air Compressors and Electric Mine Hoists are the major mechanical equipment. Together with C-I-R Rock Drills, Sharpeners, IR-SKF Drill Steel, "Cameron" Pumps, etc., they ensure dependable, low-cost operation. All are entirely of Canadian design and manufacture.

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Centre: One of two C-I-R Electric Mine Hoists now serving Bralorne. Two other units are now under construction at our Sherbrooke works, for this mine. Below: An R-51 "Stopehamer" in a well-defined vein at Bralorne.

27-J-38

Investment Trends

Firm Bond Prices Favorable to Stocks

Common Shares Believed More Likely to Resume Rising Trend Than to Decline Further; Relative Yields Measure Values

The strength of bond prices in the last month or two is encouragement for those market analysts who believe that further declines in stock prices are now unlikely. Due largely to the belief that we have proceeded only part way toward full prosperity, forecasts are becoming more general that the next trend in stock prices will be a resumption of the upward movement.

The trend of stock prices turned downward in March after an uninterrupted advance of about a year. Definite indications have not yet developed that the decline has terminated, but the probability of gradual advance is now considered greater than the likelihood of further marked weakness. The downward movement has been in process for nearly three months.

Support for gold in the London bullion market has apparently been furnished by the British exchange equalization fund, and after the recent disgorging of hoarded gold, the price has been slightly firmer in London. It is estimated that the scare over possible change in the price of gold has resulted in liquidation of most of the foreign-owned gold held in London. If public psychology turns to acceptance of the present gold price as stable, it might revive the inflationary forces of credit expansion and speculative buying in both stock and commodity markets.

Failure of stocks to decline seriously on the recent European tension over the Spanish situation is regarded as one of the most favorable indications in the present stock market situation. It is taken to indicate that liquidation has dried up.

Indeterminate Movements

Sooner or later a definite upward or downward trend will develop from the apparently aimless drifting of prices on the stock exchanges. Most market analysts expect a gradual rise to develop, and advisory services suggest that investors continue to retain holdings of industrial common stocks acquired in the past year or two.

Prices dipped to a bottom in the averages at the close of April. The Montreal Stock Exchange index for industrials touched 100.3 and the Toronto Stock Exchange average a low of 157.8, and Dow-Jones industrials in New York, 170.2. After a rally, the averages declined respectively to 100.7, 161.0 and 167.8. That made what the chart readers call "a double bottom," although it marked a new low for the New York average. Subsequently, the Canadian market averages have had difficulty getting into new high ground and New York averages have not risen materially. Trading in stocks has been very dull, as every stock broker laments.

The interpretation placed on the current situation is that it denotes caution on the part of investors who prefer to wait until they see which way the market is most likely to go in the immediate future. The view is commonly put forth that it will take some time for slow-working investment demand to strengthen prices.

* * *

Relative Yields

Average yields on the various groups of stocks listed on the Toronto Stock Exchange were lower at the close of May than at the same time in 1935 and 1936, excepting only mining shares on which the average yield has increased. Comparative figures are:

Average Yields by Groups
(At close of May)

Group of stocks:	1937 %	1936 %	1935 %
Banks	3.91	4.51	4.90
Preferreds	5.13	5.52	6.33
Industrial common	4.47	4.48	4.51
Mining	6.93	5.73	7.14
Total	5.07	4.96	5.47

A decline of yields, as in the case of bank shares, represents a rise in prices. And, of course, the rise of yields on mining shares represents partly a decline in prices for gold stocks and partly increases in dividends. Preferred shares have gradually adjusted themselves to something like a 5% yield basis, following the establishment of yields of 3% to 3½% on gilt-edged bonds in recent years.

The small change in average yields on industrial common shares is remarkable. It means that common shares have risen almost in direct relation to increases in dividends, and that the stock market is just as willing to accept a 4½% yield basis on common stocks now as it was two years ago. The fact that the average return on common shares is relatively low reflects the hope implied in stock market prices that dividends and values will continue to increase; whereas in the case of preferred stocks, for instance, the same prospects are not present.

It is not unreasonable to argue that if bond prices remain firm these average yield bases on the stock exchange are justified. At any rate the tabulation can be used as a gauge of values.

* * *

Farms and Stocks

It is now being pointed out that the benefits of higher prices for such agricultural products as wheat have hardly been felt by many farmers, particularly in western Canada. The Royal Bank comments that higher prices have helped the farmer but he did not sell a portion of last year's production at prices now prevailing. The result is that the farmer enters the current crop year with the best prospects in several years. With higher prices, it is not necessary to get a big crop but merely normal harvests to produce substantially higher agricultural revenue. The benefits would extend more widely to investors than merely to holders of farm supply shares and may alter the complexion of many securities whose rating depends on western conditions.

* * *

Quick Action

An investor distant from the major Canadian securities markets complains that the information he is able to obtain is too late for quick action in buying and selling stocks. Most investors who do not or cannot watch the ticker tape are in a somewhat similar position. But there are advantages in this seeming handicap.

Speed in making investments often leads to trouble. The very fact that the investor gets the impression that he must buy quickly smacks of speculation rather than true investment. The average investor who has to make long-range decisions must depend on information that may be weeks or months or even years old. Naturally, it is good to keep as up to date as possible, but shrewd interpretation of "old" information may allow the ordinary investor to buy securities in anticipation of favorable developments rather than after the events occur. The investor has the best chance of "beating" a movement in stock prices and income if he is able to anticipate such developments by judicious appraisal of the future.

Public Relations Manager

From Our Own Correspondent

MONTREAL. — Montreal Stock Exchange and Montreal Curb Market announce that Carl Bergithon has been appointed manager of the Public Relations Department.

295,000 Horsepower

Installed capacity of British Columbia Power Corporation's hydro-electric plants will be increased to 295,000 horsepower when an additional 47,000 horsepower unit, presently under construction, is placed in operation next year at the Company's Ruskin plant.

Enlargement of generating capacity reflects the upward trend of industrial activity in the area served; all divisions of the Company's business—gas, electric power and transportation—have shown improvement during the current year.

We recommend:

BRITISH COLUMBIA POWER CORPORATION
4¼% Bonds, due 1960
Class "A" and Class "B" Shares

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AND COMPANY LIMITED
355 St. James Street West, Montreal
Branches in the principal cities of Canada

85A

National Thrift Assets Increase

Halifax Concern Makes Personal Loans and Sells Investment Certificates

National Thrift Corp., Halifax, N.S., reports improvement in cash position for the year ended April 30, 1937. Realizable assets amounted to $216,559 compared with $189,699 in April, 1936, and $83,658 in April, 1935. Outstanding personal loans totalled $117,775 at April 30, 1937. General and loan department net profit for the year amounted to $8,602 as compared with an average of $13,674 for the two preceding years.

The president, J. O. Morse, in submitting to the shareholders the report of directors covering the operations of this department for the past year points out that earnings were adversely affected during the year owing to an extensive change made in the method of calculating interest on loan contracts. The interest charge is now made only on outstanding monthly balances at the end of each month as against the former method of discounting interest in advance.

In the investment certificate department 1,468 savings certificates were in force and paid to date at April 30, 1937, as compared with 1,049 on April 30, 1936. Average monthly installment payments were approximately $2,800 at April 30, 1937, compared with $2,000 at April 30, 1936. A net profit of $458 was shown in this department for the year as against a net loss of $6,056 for the preceding two-year period. Funds in the hands of the trustee increased during the year from $2,354 on May 1, 1936, to $28,077 on April 30, 1937.

The business of National Thrift Corp. is divided into two departments, the general and loan department, whose main function is the granting of personal loans, and the investment certificate department from which savings certificates are issued. Under a trust agreement made on April 29, 1936, 50% of first year installments, 70% of second year and 90% of third and subsequent years installments are to be deposited and invested so that not less than 50% thereof be invested in trust funds in the province of Nova Scotia, and not more than 25% in common stocks.

The capital of the company is used mainly in the general and loan department and the directors in their report to shareholders point out that a considerably larger volume of loans can be made when funds are available for the purpose.

Income Account
Showing results of combined operations of general and loan and investment certificate departments
Years Ended April 30

	1937 $	*1936 $
Gross earnings	26,508	20,477
Add: Int. & divs.	3,004	7,020
Profit on sale of invest.	7,349	18,780
Sundry income	2,266	329
Total income	39,127	46,606
Less: Expenses	27,115	21,834
Life insur. prems.	704	1,612
Def. chgs. w/o	2,248	1,868
Net profit	9,060	21,292
Less: Dividends	3,500	13,795
Surplus for year	5,560	7,497

*Period from May 1, 1934, to April, 30, 1936.

Cooksville Co. Plan

From Our Own Correspondent

MONTREAL.—Supplementary letters patent have been issued by the Secretary of State confirming the arrangement agreed upon by the shareholders as to the capital reorganization of the Cooksville Co.

Union Gas Directors Endorsed at Meeting

Move to Oust Four From Board Fails on Show of Hands—Meeting Adjourns For Counting of Ballots

After a confused opening which nearly resulted in a break up within 15 minutes, the special meeting of shareholders of Union Gas Co. of Canada at Toronto this week finally reached a vote on resolutions for the removal of four directors and adjourned until June 11. It will take that time to check and count ballots.

The meeting lasted about five hours before getting down to voting. A count of hands showed a majority of those present in favor of retaining the present board intact and it is understood that the majority vote of shareholders will give the same result.

There were over 100 shareholders present in person at the meeting, and 577,862 of the 706,192 shares represented in person or by proxy.

S. A. Morse, president of the company, took the chair to open the proceedings and promptly nominated a non-director, J. F. Lash of Blake Lash Anglin and Cassells, Toronto law firm, to be chairman of the meeting.

A number of shareholders objected to what they termed violation of the company by-laws, and after withdrawing from the chair, as if to quit the meeting, Mr. Morse undertook to act.

Move to Oust Directors

Eugéne Coste, the director leading the group who requisitioned the special meeting then moved his resolution for removal from the board of four directors, S. A. Morse, president and general manager of the company; Arthur F. White, R. L. O'Brian and W. J. K. Vanston, to be replaced by H. Brooke Bell, Toronto barrister; S. R. Mackellar and C. A. Monkhouse, Toronto stock brokers, and Fred T. Brooks, a Hamilton stock broker. The resolution was seconded by Harold Freeburne, Hamilton.

Mr. Morse was finally instrumental in effecting a division of the Coste removal resolution into four sections. Each of the four directors to be voted on separately. Debate centred largely upon:

1. Payment by Union Gas of $360,000 to the subsidiary, United Fuel Investments.
2. Development of natural gas leases in Haldimand county.
3. Arthur F. White's connection with inter-company financing.
4. Mr. Morse's salary of $25,000 a year, formerly $40,000.

Attack on Board

E. Frank Coste, son of Eugéne Coste, read lengthy extracts from recent letters published in criticism of the management, reaffirming his father's view that it was a mistake to invade the Hamilton market against competition when London could have been developed without natural gas competition; that there was no consideration for Union Gas in return for a payment of $360,000 to United Fuel Investments; and in general that Union Gas had been impelled into financing United Fuel to its own detriment.

D. L. McCarthy, K.C., spoke on behalf of the Eugéne Coste group stressing particularly "juggling between Union Gas and United Fuel." He summarized the Coste contentions with a comment on the position of Mr. White as an official of both companies and also of Dominion Securities Corp. and the Canadian Bank of Commerce, stating that "Mr. White probably did a fine job for the bank and Dominion Securities and perhaps for United Fuel but not for the Union Gas Co."

White Explains Stand

Mr. White read an explanation of his position in the Union Gas and United Fuel companies. He stated that he became interested in Union Gas when his firm bought 50,000 shares at $40 a share some years ago and distributed them largely to clients of Dominion Securities Corp. His firm also financed preferred stock of United Fuel Investments, he stated, but the two transactions were entirely separate. The interconnection developed, he said, when the Cities Service subsidiary, Dominion Natural Gas Co. started to cut into the business of United Fuel subsidiaries in Hamilton. The result, he said, was that the position of United Fuel was put before the Union Gas board which decided to buy United Fuel common shares and enter the Hamilton market. A credit of $2.2 millions was obtained from the bank partly to finance purchase of City Gas Co. of London which was acquired about the same time.

Self-Preservation

Mr. White stated that the compelling reason for purchase of the Hamilton and London interests by Union Gas was self-preservation, that Dominion Natural Gas Co. had acquired a franchise in Windsor and had entered the Hamilton market. He suggested that development of gas leases in Haldimand had been worth while in preserving a portion of the future Hamilton market.

Mr. White stated that when the finances of Union Gas were in serious condition about six years ago he had threatened in the heat of the moment to call the company's bank loan. The whole plan to finance the companies was up in the air, he added, and his intention was to get some action to solve the problems because default by United Fuel would have prejudiced the existence of the whole enterprise.

As to large loans made by Union Gas to United Fuel, Mr. White said that Union Gas made over $400,000 by purchasing United Fuel bonds at 85 and on the spread between interest rates. He also stated that the direct holdings of United Fuel preferred stock were smaller than had been stated by his critics and that shares held by the Bank of Commerce were largely for clients of the bank.

Eugéne Coste promptly re-entered the wordy debate.

"Your companies," he said, in reference to Mr. White's connection with financing of United Fuel, "were sitting pretty." The United Fuel firms, he commented were paying interest to Union Gas but the latter firm was paying both principal and interest to the bank and was crippled by the transactions.

Scorns United Fuel Deal

Norman B. Gash, Toronto barrister, speaking independently, stated that the United Fuel deal was the beginning of the misfortunes of Union Gas; that the Haldimand leases weren't worth the $1.3 million spent on them; and that there was mismanagement in connection with franchises for Hamilton and London. But he concluded that the company had points in its favor despite all the criticisms.

Mr. Morse read a statement in which he explained that decisions as to the company's policy had only been made after careful consideration of all the circumstances and had been approved by the directors as good business. His salary, he said, was approved by the board when the outlook had appeared favorable, and had been reduced from $40,000 to $25,000 in 1934 when the situation was sombre.

W. J. McWhinney, Toronto shareholder, reaffirmed the Coste criticisms of directors.

Defends Directors

R. L. O'Brian, Buffalo, vice-president of Union Gas, and one of the four directors described as "indicted" by the company counsel, R. H. Cassells, K.C., made a defense of Messrs. Morse and Vanston. Mr. O'Brian said Mr. Morse had done wonderful work for Union Gas in buying distributing businesses in Windsor and Sarnia and in handling public relations in connection disputes over rates. He stated that Eugéne Coste had received a lot of money from Union Gas through the Coste firm's geological contracts and that the special meeting was not sought until after E. Frank Coste had sued Union Gas.

Before, after, and sometimes during, the major speeches there were interruptions and interjections from a number of shareholders. One of them finally summed it all up. Hindsight, he said, was usually better than foresight and he didn't blame the management if they made a mistake in the Haldimand venture. He thought Mr. Morse's salary was large and that he must have done something wonderful to deserve it. But he didn't think it a good thing to change horses while crossing a stream. And that is what the meeting decided when it came to counting hands.

Investment Notes

Standard Chemical—There are 652 of the total 37,277 common shares still held for exchange for old preferred and common shares. Almost 10 years ago, a plan was adopted to issue one common share for each former preferred share and one new common for each 10 old common shares. The present proposal to eliminate the remaining deficit of $35,032 may lead to resumption of dividends, if present earnings are maintained, which should encourage exchange of the remaining shares.

* * *

Dominion & Anglo—Net liquidating value of Dominion and Anglo Investment Corp.'s assets were $2,682,253 at April 30, 1937, compared with $1,888,862 at April 30, 1936, an increase of $793,391 during the year. This was equivalent to $198.68 for each preferred share in 1937 and $139.90 in 1936. The liquidating value of the common stock was $126.47 at April 30, 1937. The company's assets are now in excess of net capital raised.

* * *

Canadian Wallpaper—Cost of moving the subsidiary, Stauntons Ltd., to a new factory at Leaside and consequent interference with business, as well as higher costs of materials, are cited by George A. Orme, president of Canadian Wallpaper Manufacturers Ltd. as accounting for the reduced profits in the past year. This company publishes both a consolidated and non-consolidated balance sheet, including in the consolidated balance both 1936 and 1937 figures for comparison, a practice which could well be adopted by more companies.

* * *

Standard Paving—Standard Paving & Materials has more paving contracts on hand now than during all of 1936 and at slightly better prices, according to J. F. M. Stewart, president. The company's subsidiary, Consolidated Sand & Gravel Ltd., appears likely to do as well in the current year as in the year ended March 31, 1937, when profit of $981 was earned compared with a loss of $35,454 for the preceding year. Another 619 shares of Consolidated Sand 7% preferred were redeemed in 1936, leaving 8,875 shares outstanding compared with 12,000 shares originally issued in 1928.

* * *

C.P.R.—April returns provide further encouragement for the ordinary shareholders, net operating income being $510,952 greater than a year ago. For the first four months this year net income stands at $5.5 millions, a gain of $1.3 million over 1936.

* * *

Canadian Breweries — Canadian Breweries Ltd., formerly Brewing Corp. of Canada, had a loss of $10,662, after interest and depreciation, for the first half of its fiscal year, contrary to earlier expectations of a profit as mentioned by E. P. Taylor, president, at the annual meeting. Mr. Taylor now comments that improvement has been shown and that it is indicated such improvement will continue and be more pronounced during the remainder of the fiscal year, which includes the summer months when demand is greatest.

* * *

East Kootenay Power—Net operating revenues took a very favorable turn in April, amounting to $33,427 as against $22,580 for the same month a year ago. In recent years the company has not been able to do much better than earn interest on bonds and loans.

* * *

Distillers-Seagrams—Samuel and Allan Bronfman, president and vice-president of the company respectively, held proprietary interests in 968,163 common shares of the total of 1,742,645 shares of common stock outstanding. The shares are held by Bronfman holding firms, Brintcan Investments Ltd., General United Securities Co. and Mercantile United Securities Co. Latest reports show reductions of 23,500 shares in the Bronfman holdings of common stock, but an increase of 9,650 preferred shares. A director, Frank R. Schwengel, New York, reduced his holdings of common stock from 1,500 to 1,300 shares in March.

* * *

International Hydro—As a result of the continued increase in earnings, Erwin L. Moore, president of International Hydro-Electric System, says that prospects "of being able to maintain uninterrupted interest payments on the 6% debentures continue to improve."

* * *

Pioneer Gold of B. C.—Dr. F. J. Nicholson, a Vancouver director, reduced his holdings from 39,533 to 38,678 shares in February. T. F. Ryan, 3rd, San Francisco director, increased his holdings from 1,200 to 3,200 shares.

* * *

Canadian Car—Based on figures supplied by the company, Jones, Heward and Co., Montreal Stock Exchange firm, estimates that on a 9% margin this year on a gross of $14 millions, earnings on the preferred stock of Canadian Car after maximum depreciation and all taxes should amount to over $2.50 a share on the preferred.

* * *

Teck-Hughes—George C. Miller, vice-president, held 22,965 shares at the close of 1936. Last December he acquired 2,500 additional shares through a holding company.

* * *

Bell Telephone — Restoration of the dividend rate to 8% brought its response in the stock market. The day before the dividend was declared the stock sold at 159½. It is currently selling about 10 points above the 1937 low of 157. The 1937 high was 170, at which level the yield on the 8% dividend is 4.7%.

Walkers Bonds Are Redeemed

Outstanding Debentures Now Less Than $4 Millions

Of the $1¼ millions of Hiram Walker-Gooderham & Worts 4½% convertible debentures called for redemption on June 1, $1,198,000 have been redeemed in cash. The remaining $52,000 was turned in for conversion into common stock at the former rate of $45 a share.

This and previous conversions or redemptions has reduced the outstanding debentures to less than $4 millions. Further conversion of debentures into common stock may be made on the basis of $55 a share until the outstanding balance drops below $2 millions.

An additional 575 common shares have been issued making a total of 64,004 issued under the conversion privilege up to May 28. This brings total outstanding shares to 724,004 as at that date.

Executive Changes

H. R. Walton, Detroit, Mich., has recently been elected a director of Hiram Walker-Gooderham & Worts. Mr. Walton takes the place of H. F. Wilkie, Peoria, Ill., who has severed his connection with the company. Another new director is A. R. McKinlay, a resident of Glasgow, Scotland, who replaces Duncan Macleod, also of Glasgow. Mr. McKinlay has been directing head of Geo. Ballantyne & Son Ltd. and James & George Stodart, Ltd, two of the Scottish subsidiaries of Hiram Walker-Gooderham & Worts.

Work on demolition of the old buildings on the site of the new Dumbarton distillery being erected on the Liven River, near Glasgow, Scotland, by Dumbarton Distillery Ltd., a subsidiary of Hiram Walker-Gooderham & Worts, is nearly completed, officials state. It is expected that the new distillery will be ready for operation by Jan., 1938.

The new plant is to be a grain whisky distillery.

Annual capacity will be between two and three million gallons of proof spirits. Supplies of grain, corn and barley malt, will be obtained from Scotland, Canada, South Africa, United States and Argentine. The plant will require 500,000 gallons of water daily.

The company which has been formed to build and operate the new plant is known as Dumbarton Distillery Ltd. and has a capital of £600,000. It has been registered as a private company.

Dom. & Anglo Profits are Up

Investment Corp. Reports Profits Equivalent to $5.13 a Share

Net profit of Dominion and Anglo Investment Corp., for the year ended April 30, 1937, was equivalent to $5.13 a share on the 5% preferred shares compared with $3.78 a share for the preceding year.

Net profit realized on the sale of securities was $296,359, most of which was taken to capital surplus account. This account now stands at $297,911.

The company's investments had a book value of $1,762,649 at April 30, 1937, and a market value of $2,429,605. At April 30, 1936, the corresponding values were $1,633,460, and $1,799,649 respectively. In addition to the investments, the company had cash of $290,411 at April 30, 1937, while current liabilities were $37,762.

Income and Surplus Account
Years Ended Apr. 30

	1937 $	1936 $
Investment income	85,994	63,155
Less: Disc. & exchange	24	*114
Net income	85,970	63,269
Less: Bank interest	169	64
Executive remun.	5,460	4,860
Legal fees	563	85
Other manag. exps.	5,130	3,470
Income tax	5,428	3,779
Net profit	69,220	51,011
Add: Prev. surplus	47,876	47,655
Secs. rec. for bd. int.	32,900	......
	149,996	98,666
Less: Pref. divds.	101,250	50,625
Inc. tax adjust.	661	165
Surplus forward	48,085	47,876

*Profit.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Mach. and equip. 8	Pulp and paper 6	Milling 4	Oils 4	Textiles and clothing 10	Food and allied prod. 13	Beverages 7	Bldg. mater. 14	Indust. mines 2	Total industrials 68	Total utilities 19	Total co's. 96
1929-36:*												
High	432.5	113.4	273.4	423.5	113.5	197.8	205.4	281.1	391.3	317.6	166.0	196.3
Low	39.2	3.0	37.7	87.7	30.8	78.8	33.8	44.2	74.9	56.0	38.9	43.3
1937:												
Jan.	156.3	37.2	119.6	229.6	77.3	184.2	141.0	197.0	549.3	222.0	68.5	137.4
Feb.	163.4	36.7	120.7	235.2	78.5	188.2	139.3	203.5	584.7	228.8	73.1	142.4
Mar.	168.3	40.2	127.0	247.7	80.2	190.0	141.8	213.4	618.2	241.7	71.0	147.2
Apr.	157.5	47.1	117.4	230.4	79.9	182.4	133.4	204.8	538.9	224.1	64.1	136.2
Weekly Figures, 1937:												
May 6	154.5	41.5	111.1	227.9	78.0	178.2	129.9	190.7	524.9	216.5	62.3	131.9
May 13	151.4	37.1	110.6	229.6	77.9	179.6	127.8	189.3	518.4	215.3	62.4	131.5
May 20	147.8	37.0	107.1	229.2	77.1	177.7	127.5	184.4	524.9	215.5	62.4	131.5
May 27	150.0	38.1	106.5	231.5	77.2	178.3	128.6	188.9	532.2	218.2	63.9	133.2
June 3	150.6	39.8	105.0	225.2	77.2	178.1	124.7	187.4	520.3	214.0	63.5	131.3

*High and low for years from 1929 to 1936 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
June 8	166.35	126.06	158.57
June 7	166.15	125.48	157.90
June 5	166.63	123.79	156.23
June 4	165.52	123.56	155.41
June 3	165.29	121.91	156.29
June 2	165.43	121.94	156.40
Month ago	167.36	124.72	158.95
Year ago	129.42	139.73	128.45
High, 1937	187.67	168.59	215.36
Low, 1937	157.82	119.22	151.03

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
June 8	78.7	109.6	99.3
June 7	78.4	110.0	99.5
June 5	77.6	109.4	98.8
June 4	78.2	108.3	98.3
June 3	78.0	107.0	97.3
June 2	78.0	107.3	97.5
Month ago	76.2	105.4	95.7
Year ago	69.1	71.5	70.7
High, 1937	82.5	122.2	109.5
Low, 1937	74.8	100.3	92.3

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Bond Markets

Bond Dealings Enter Typical Summer Coma

Prices of High-grade Bonds Continue Firm Despite Dull Trading—Volume of Bond Financing Increased Last Month

Bond trading appears to be enjoying a typical summer coma, the volume of transactions being at a low ebb.

Prices of high-grade Government and corporation bonds continue strong. While demand is small and of a selective nature the floating supply of bonds is small. In the absence of a large amount of new issues, most bond dealers have reduced their inventories during recent months.

Although the holiday season is fast approaching many bond dealers look for renewed buying in the near future. In recent months investment funds have been accumulating and many investors who have been refraining from making commitments are expected to re-enter the market in the near future.

Demand for western provincial bonds has been very light and as a result Manitoba, Saskatchewan and Alberta issues have eased off in price. British Columbia bonds, however, have advanced fractionally due to improved sentiment arising from the re-election of the Pattullo Government.

Bond Prices

The Annalist, New York financial paper, commenting on the bond market in the United States, points out that the behavior of bond prices during the past two months tends to give some support to the belief that a further sharp decline is unlikely at this time. The article states, however, that it seems reasonable to assume that the cyclical advance in high-grade bond prices has come to an end and that any recovery from the current level will probably be of moderate proportions.

General business uncertainty, according to the Annalist, and the consequent reluctance of investors to buy stocks and lower grade bonds, has a tendency to sustain high-grade bond prices. This factor, however, might prove only temporary in the event of continued recovery and firmer interest rates.

* * *

Interest Rates

Pointing out that there is a tendency to compare present high-grade bond yields with those of 1932 or the post-war period, Stanley E. Nixon of Dominion Securities Corp., in a paper delivered at the Canadian Political Science Assoc. annual meeting, gives some interesting figures.

Records over a long period show that the post-war and 1932 interest rates were abnormally high, says Mr. Nixon. Yields for British Consols as far back as 1753, show that in only 53 years out of 183 did the return to the investor rise above 4%, and in only 12 of those years was it above 5%. For the 82-year period from 1833 to 1914 inclusive, the yield ranged from 2.45% to 3.51%.

In Canada, the Dominion Bureau of Statistics has records of the monthly average of yields on long-term Ontario bonds back to 1900. Mr. Nixon points out that before the war, the investor's return averaged 3.61% to 4.34%. Yields on long-term United States municipal issues for the period from 1900 to 1914 averaged from 3.12% to 4.22%, tax exempt.

During the periods reviewed, mortgage investments and bank and loan company deposit rates were competing with high-grade government bonds for the investor's money. A 3% interest rate was obtained from savings deposits in Canadian banks from 1897 to May 1, 1933. This rate was reduced to 2½% and now stands at 1½%. The Province of Ontario savings banks paid 4% on deposits from the date of establishment in 1922, until 1924, when it was reduced to 3% and now stands at 2% for deposits of $10,000 or less and 1½% for deposits of more than $10,000. Some of the larger trust companies paid 3½% to depositors from 1903 to 1921, when the rate was increased to 4% and continued at this rate to 1933.

* * *

Bond Financing

Bond financing in Canada in May totalled $156.9 millions compared with $42.3 millions in the corresponding month of 1936, a compilation by Wood, Gundy & Co. shows. The large increase in the 1937 month is due to the Dominion of Canada conversion loan. All May financing in each year was done in Canada.

Government and municipal financing in the first five months of 1937 totalled $545.4 millions, $124.4 millions greater than in the corresponding period of 1936. Of this amount, $460.4 millions were sold in Canada and the balance of $85 millions in the United States. Of the 1936 total, $88 millions were sold in the United States.

Details of the summary of new bond sales in Canada follow:

New Canadian Bond Financing

Govt. & Munic. to May 31:	1937 $	1936 $
Dom. Gov. dir. & gtd.	234,000,000	168,000,000
Dom Gov. treas. bills	235,000,000	195,000,000
Prov. dir. & gtd. ...	37,579,000	30,879,500
Ont. municipal	23,945,406	9,607,513
Que. & Mari. mun. ..	14,692,145	16,886,500
Western mun.	163,000	541,000
Totals	545,379,551	420,914,513
Corporation to May 31:	**1937 $**	**1936 $**
Public utility	15,163,500	50,347,392
Railway	16,080,000	53,000,000
Indus. & miscl.	36,357,300	45,773,800
	67,600,800	149,121,192
Month of May:	**1937 $**	**1936 $**
Dom. Gov. dir. & gtd.	113,500,000	......
Dom. Gov. treas. bills	40,000,000	20,000,000
Prov. dir. & gtd. ..	......	14,630,100
Ontario. munic.	2,507,614	6,201,500
Que. & Marit. mun.	890,000	1,491,000
Western munic.	......	26,000
Totals	156,897,614	42,348,600

* * *

Bond Index

The trend of the market for high-grade government bonds is indicated below:

The Financial Post Index of Average Price and Yield of High Grade Govt. Bonds

1937	Price $	Yield %	1936	Price $	Yield %
June 8	112.70	3.350	June 8	115.63	3.193
June 7	113.81	3.281	June 6	115.50	3.203
June 5	113.81	3.281	June 5	115.50	3.203
June 4	113.81	3.281	June 4	115.34	3.226
June 3	113.80	3.284	June 3	115.14	3.241
June 2	113.80	3.284	June 2	114.99	3.256
Year's	116.81	3.026	Year's	117.91	2.966
Range	111.60	3.505	Range	111.50	3.597

Leamington, Ont., and the bondholders' protective committee have been unable to agree in regard to a refinancing plan for the town's debt. Mayor H. S. Stewart has announced that the matter will be placed before the Ontario Municipal Board. Application is to be made this month and the hearing will probably be held in September. C. W. McDiarmid of Windsor is the fiscal agent for the town.

New Extension For Courtaulds

From Our Own Correspondent

MONTREAL.—Courtaulds (Canada) Ltd. announces the building and equipment of an extension to the Cornwall plant at an estimated cost of approximately $3 millions. The addition is being made to increase productive capacity of rayon yarns. Foundation Co. of Canada will erect the new building at an estimated cost of $1 million. Equipment for the addition will cost $2 millions.

Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
Avon River Pr. D	5%	1964	July 1	103
Can Steamships.	5%	1943	Aug. 15	105
Mar. T. & T., A	5%	1956	July 1	104
Simpson, Robt. ..	5%	1952	July 1	105
Aluminium	*5%	1948	July 1	105
Asbestos Corp. ..	6%	1941	July 1	100
Do., ...	3-3½	1937-8-9	July 1	...
Cred. Fon. Franco Can.	4½%	1956	July 1	100
Metropolitan Bldg.	7%	1944	July 15	103
La Comp. Gen. du Port de Chicoutimi	5½%	Serial	July 1	102
Ottawa Tr., A .	5½%	1955	July 1	103
*Bonds redeemed called by lot.				
Stock Issues:				
Can. For. Invest. †$100,000.	†8%	pref.	July 1	105
Religious Issues:				
Soeurs de Charité d'Halifax	6½%	1937	July 1	105
R. C. Bishop St. John	5%	1939	July 1	101
Hotel Dieu St.-Valier, Chicoutimi	5%	1937	Oct. 1	...

Bond Tenders

12 noon, June 11, Halifax—$525,000, 3½% serial debentures, dated July 2, 1937, due 1938 to 1957. George J. Allen, treasurer.

7 p.m., June 22, Drummondville—$232,900 as follows: $179,000, 4%, dated May 1, 1937, redeemable serially in 30 years; $53,900, 4% dated July 1, 1937, redeemable serially in 25 years. Raoul Heroux, treas.

Canadian Hydro Plan Favors Stock Holding Of International Hydro

Absorption by Gatineau Power Benefits Second Preferred — Debenture Refunding Must Precede Common Dividend

From Our Own Correspondent

MONTREAL. — Canadian Hydro-Electric Corp. announces details of a plan designed primarily to facilitate refunding of $14.8 millions of Gatineau Power Co. 6% debentures, which mature in 1941, and to pave the way for resumption of dividends.

The arrangement provides for absorption of Canadian Hydro by the operating subsidiary, Gatineau Power, and an exchange of Canadian Hydro stock for Gatineau shares.

At present Gatineau Power has outstanding over $68.7 millions of 5% first mortgage bonds; $14.8 millions of 6% debentures; $235,944 of assorted obligations; $25 millions of preferred and $2.5 millions of common. All of the preferred and common is owned by Canadian Hydro.

The proposal is to leave the bonds, debentures and miscellaneous obligations undisturbed. Gatineau will create a new 5% cumulative first preferred issue of 121,960 shares of the par value of $100 each and three million shares of no par value common.

Basis of Distribution

For each share of Canadian Hydro first preferred, together with $12.50 of dividends arrears claims, the holder will receive one new preferred and one new common share of Gatineau Power. Each second preferred share of Canadian Hydro will be exchanged for 5½ shares of Gatineau Power common, while each share of Canadian Hydro common will be exchanged for ⅛ share of Gatineau Power.

In effect the capital stock of Canadian Hydro will be exchanged for that of Gatineau Power, with the following distribution:

Allocation of New Stock

To the holders of the old—	—New Shares— Preferred	Common
1st preferred	121,960	121,960
2nd preferred	......	1,375,000
Common	......	125,000
Issued	121,960	1,621,960

Directors Advance Reasons

This plan, drafted with approval of the directors, sets forth the following reasons for the compromise arrangement:

1. To facilitate refunding of Gatineau Power's debentures maturing in 1941.
2. Gatineau Power cannot safely resume dividends until debentures have been refunded or paid off.
3. Revenue received by Canadian Hydro from Gatineau and other sources covers less than half the corporate expenses and dividend requirements of Hydro's first preferred shares.
4. Canadian Hydro's capital surplus is such that it cannot pay a dividend.
5. The second preferred shares of Canadian Hydro are convertible into first preferred shares under certain conditions; this right would be given up in the event of the arrangement being adopted.
6. If earnings continue at present level and debentures refunded, Gatineau Power should be in a position to pay dividends not only on its preferred shares, but also on its common shares.

The first preferred stock of Canadian Hydro is widely held by the public. All of the second preferred and common shares are held by International Hydro-Electric System.

Points to Consider

Consideration of the arrangement, from the point of view of the first preferred shares, produces the following questions: Will their priority as to assets and earnings be protected; will they suffer any loss of income; will the market value of the new securities be greater or less than that which they now hold; if concessions are made will they receive compensation in the form of additional stock or greater income?

Under the existing set-up Canadian Hydro first preferred shareholders have the initial call on any revenues received from Gatineau Power. They are entitled to a cumulative return of 6% on the par value of their shares. No dividends have been paid for some time and arrears will amount to $12.50 a share at the end of this year.

Loss of Income

The position of the first preferred shareholder will not undergo any change as regards priority of claim to assets in making the proposed exchange of securities. In return for his 6% share, he will receive a 5% share resulting in a reduction of income. As for the arrears of $12.50 a share, he will receive one share of new common stock, upon which it is hoped to pay dividends under certain conditions.

Put it another way: the holder of each share of Canadian Hydro first preferred is entitled to cumulative annual dividends of $6 a share. This would be reduced to $5 under the arrangement. In order to bring his income up to the level called for in the present capital set-up, it would be necessary for Gatineau Power to pay a dividend of $1 a share on the new common. Again, if the $12.50 dividend arrears were capitalized at 6% it would be necessary to pay a dividend of $1.75 a share on Gatineau common in order to bring about an equalization of income.

The holder of Canadian Hydro first preferred must look to further appreciation in the market value of the new securities, offered under the plan, to compensate for loss of income.

Market Gain Uncertain

There is no means of foretelling what Gatineau Power's new common stock will fetch on the open market. However, it is estimated that earnings on this stock for 1937 may amount to as much as 60 to 70 cents a share. That being the case, the new common might conceivably sell at anywhere from $12 to $20 a share.

Taking the new preferred at $100 and common at prices ranging from $12 to $25 a share, the following potential values may possibly obtain for the old securities:

Potential Value—Old Stock

	—With New Common at— $12	$15	$20	$25
Old pref.	112	115	120	125
Old 2nd pfd..	66	82.50	110	137.50
Old common.	1.50	1.87	2.50	3.12

(New pref. at $100)

Inasmuch as the new Gatineau Power preferred stock does not begin to carry cumulative dividends until Jan 1, 1938, and there is no guarantee of dividends starting then, it is likely the stock will sell at a discount. If the market sets a value of 80 on the new preferred and with the various values on the common, as used in the foregoing table, the following market values may prevail for the present stock after exchange.

Potential Value—Old Stock
(New Pref. at $80)

	—Common at— $12	$15	$20	$25
Old 1st pref...	92	95	100	105
Old 2nd pfd...	66	82.50	110	137.50
Old common.	1.50	1.87	2.50	3.12

(New pref. at $80)

In both cases it will be seen that the second preferred, held by International Hydro-Electric System, is in the favored position from a market point of view.

Affect Claim to Earnings

The first preferred shareholders prior claim to earnings, in relationship to the second preferred and common shares, is affected by the plan. Last year Canadian Hydro's consolidated income statement showed $1,380,191 available for dividends. On the present set-up the first preferred shareholders would be entitled to $731,760 of this amount before anything could be paid to the junior security holders, without considering arrears of dividends.

Dividends on the new 5% preferred stock, under the compromise arrangement, would take $609,800, or $121,960 less than at present. However, the old preferred shareholders would receive about 7½% of the new common stock, which would give them a claim to that extent on the balance of earnings or $57,779.

Thus the first preferred shareholders equity in earnings, under the plan, would drop from $731,760 to $667,579 on the 1936 earnings basis.

This in turn would mean that the proportion of earnings going to the second preferred and common stock (all held by International Hydro-Electric System) would increase from $648,431 under the existing set-up to $712,613 under the new plan.

Apparently the first preferred shareholders of Canadian Hydro would be making concessions in adopting the compromise arrangement on the basis outlined. But consideration must also be given to certain rights attaching to the second preferred.

The by-laws of Canadian Hydro provide that the 6% non-cumulative second preferred can be converted into first preferred when consolidated net operating earnings of the corporation and its subsidiaries, after deducting depreciation of 6% of gross income derived from sales of electrical energy, for the most recent 12 months period, are equivalent to more than twice the amount required for a year's dividends on the first preferred stock, including that to be issued on such conversion.

All of the second preferred could not be converted at present, but enough could be exchanged to bring about a dilution of the equity and earnings for the existing first preferred.

Under the new arrangement, the holder of the second preferred stock gives up this right.

Favors Junior Stock

In brief, the compromise plan does not bring any benefit to the holders of Gatineau Power mortgages or debentures, as their position remains unchanged in any event. Canadian Hydro first preferred shareholders would be accepting a reduction in dividend from 6% to 5% and lessening their equity in earnings in return for a possible increase in market value of their holdings and a speeding up of the time when dividends can be resumed.

The second preferred and common shareholders would receive a more readily marketable security; an increase in earnings equity; and a decided improvement in their prospects for a dividend return.

Municipal Finances

Vancouver reports that revenues collected during the first four months of the current year have totalled $1,143,937 or 8.07% of the total estimated revenue of $13,175,454. This compares with collections in the same period last year of $1,027,646 or 7.61% of the total of $13,498,009.

* * *

London, Ont., has received the approval of the Ontario Municipal Board for the construction of a new bridge on Wellington Street. The old bridge was washed out by the spring floods. Construction of the bridge is to be financed by a $75,000 debenture issue which will probably be for a term of 10 years.

* * *

Montreal, Que., reports that collections to May 18 on account of 1937 income tax amounted to $1,428,423, compared with $1,249,181 last year and $1,190,343 in 1935. Of the total collected to May 18 about $1.2 million will accrue to the City of Montreal, the remainder representing the amount to be distributed to neighboring municipalities.

* * *

Essex Border Utilities Commission—Refunding of the debts of the commission was discussed informally at a meeting held in Windsor recently and attended by J. Clark Keith, general manager of the Windsor Utilities Commission; Frank Stanley, manager of the Canadian Bank of Commerce at Windsor; and C. W. McDiarmid, fiscal agent for the city of Windsor.

Refunding of the share of the commission's debts for which the old city of Windsor, Walkerville, East Windsor and Sandwich are liable is provided for in the Windsor refinancing scheme. Nothing, however, has been done in regard to the share for which Riverside, Sandwich East, Sandwich West and La Salle, all of which are in default, are liable. Ojibway, also a partner in the commission, is solvent and its share will not be refunded.

* * *

Calgary, Alta., has been refused a reduction in interest on its capital loans by the Bank of Montreal. The city had requested a reduction from 4½% to 4%.

The city's three major utilities, the electric light, waterworks and street railway departments, had a surplus of $44,098 in the first four months of the year.

* * *

Saint-Ambroise, Que., has been authorized by the Quebec Municipal Commission to pay interest coupons of June 1, 1937. Interest on past due bonds is also being paid to that date.

* * *

Rivière-du-Moulin, Que., is paying debenture interest due June 1, 1937. Interest is also being paid from Dec., 1936, to June, 1937, on bonds which matured in June, 1934, 1935 and 1936.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Summerside, P.E.I.	June	R. A. Daly & Co.	4%	1952	$160,000	....	....
Pictou, N.S.	May	Irving, Brennan & Co.	3½%	....	33,000	95.27	....

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TORONTO, JUNE 12, 1937

The Financial Post's Platform for Canada

1. *Balanced budgets.*
2. *Abolish politics in C. N. R.*
3. *Merit system in public service.*
4. *Freer foreign trade through Empire preferences and foreign treaties.*
5. *Stable tariffs for balanced development.*
6. *Stricter laws to protect investors.*
7. *An even break for Canadian national newspapers and periodicals.*
8. *A modernized constitution.*
9. *Integrity in meeting public obligations.*
10. *Wider markets for our farms.*

The C.M.A. Views on Labor

THE Canadian Manufacturers' Association seems to have decided to refrain from expressing a formal policy on labor relations and particularly upon such specific subjects as unions and the C. I. O. Out of last week's annual meeting there came no statement of policy on industrial relations. This suggests that the C. M. A. is content to stand upon the brief labor remarks made by the retiring president in his annual address. In taking advantage of its right to fight shy of possible public controversy, the C. M. A. loses the opportunity of leadership. Possibly the C. M. A. does not feel that at this particular juncture leadership is worth the price of misunderstanding.

The presidential remarks have been published in The Financial Post. Those who read them must have found them an eminently fair expression of opinion, although very general in terms. But it would be interesting to know what proportion of the working men of Canada have read them.

What the C. M. A. policy is must be regarded as relatively unimportant compared to the public's lack of knowledge or understanding of that policy.

No one is ever in any doubt as to what the C. I. O. wants or what the general demands of union labor organizers are. These demands are repeated every day in speeches, articles and interviews not only from the heads of unions but from scores of individuals. The C. I. O. has more than a policy. It has the facility for propagandizing that policy and it makes full use of those facilities.

The Manufacturers' Association has what it apparently regards as a policy. It is a policy that many people would support and if it lacks the specific definition of the C. I. O. policy it is because in industry there are many points of view that must be reconciled, while in the C. I. O. there is only one point of view, that of Dictator John L. Lewis.

Industry and employers generally are almost constantly on the defensive. They are usually too busy answering someone else's attacks to have time for putting forth their own opinions. Organized labor gets its views out. It gets them out in a way that makes it appear that they are the views of all workers when in reality so-called "labor" leaders speak for scarcely more than 10% of all workers and what they demand is often antagonistic to the interests of the other 90%, including farmers, fishermen, consumers generally and other classes.

Employers should be more active in getting their story before the public. Henry Ford has led in this direction. He allows himself to be put on the defensive by those who would misrepresent his position.

Henry Ford speaks for himself, but in so speaking, he is also speaking for all industry and all enlightened employers. No individual manufacturer should leave it to an official organization like the C. M. A. to interpret his own views and his own position The C. M. A. ought to have a broad basic policy which it would keep before the public in a thousand ways. But supplementing such work, there must be constant public interpretation by each company of its own policy.

There is human interest in such individuality and it is human interest that counts in talking to the public.

Alberta Defaults Hurt Canada

ON JUNE 1, the Province of Alberta failed to meet payment of a maturing bond issue of $1,650,000. It was the third such default of principal, apart from the defaults of provincial savings certificates. The only apparent reason that the whole provincial debt is not in the same category is that the principal payments have not yet come due. But practically the entire debt is in default in respect of interest which was ruthlessly cut in half against the sage advice of the best business and financial advisers.

It is not news, of course, that Alberta has defaulted without adequate regard for investors, but that should not mean that the situation is to be accepted as irreparable. One of the deplorable features of the Alberta defaults is that there is a dangerous tendency for Canadians who have direct investment in the province to forget about them. The immediate effect of the defaults is to destroy the credit of Alberta, as is shown by the complete inability of the province to borrow any substantial sum or to refinance maturing bonds. The longer-range effect is to cast a reflection upon Canada as a field of investment. The Alberta defaults are not merely a provincial matter, but a problem of distinctly national concern.

The Dominion Government has a responsibility in the Alberta case that should not be forgotten. The Ottawa authorities should reopen discussions of the defaults with the Alberta Government as soon as possible, preferably before the Royal Commission enquiry into government finances. It would be a great step forward if the Alberta defaults could be rectified and interest resumed at full rates, placing the province in the same position as Saskatchewan and Manitoba, pending the findings of the forthcoming enquiry.

It is not enough for Alberta simply to proceed with its series of defaults and the Dominion authorities to leave things in that unsatisfactory state. The least that can be done is to renew efforts for temporary repairs.

The Essence of Affairs

IN HIS recent address in Hamilton, Sir Joseph Flavelle sought to discover the root causes of the world's present troubles. He began his address with a reference to the failure of the peace conference to find redemption for the bitterness of the war.

The words of comment he added deserve to be read and re-read:

"Hatred, bitterness, want of confidence, have been in the saddle, and there have been the consequent destructive results in unemployment, in heavy taxation, and in restricted international trading. Each nation, feeling the burden of debt, has endeavored to purchase as little as possible from other nations, for fear of impairing the limited amount of national resources which were liquid. High, and in some cases prohibitive, tariffs have been placed against the importation of foreign goods, and quotas have been imposed, because the harassed nations did not know how to meet their obligations if the balance of trade were against them.

"These conditions, I believe, have not been sufficiently considered as the underlying cause in denying the human family the opportunity to secure work and food, and necessary clothing and supplies.

"I am not seeking to blame or find fault. I am seeking to state the case that whatever faults there may be in our social or economic order, our fundamental trouble is not with bad systems, but with the bad state of heart toward one another, which, having continued during these long years, has produced a sense of fear, concern, anxiety, which has crippled the productive energies of faith, hope and courage..

"We have not yet learned the lesson that all history has taught us, of the fearful, destructive results of bitterness and hatred, and war, between members of the human family. We have now before us the task and duty of seeking to establish a will for goodwill among the children of men toward one another. We cannot be scolded into it, or legislated into it. We must learn the way of true fellowship, and pray God for wisdom and understanding in its execution."

Industry, commerce, finance, agriculture, corporations and institutions are built not only upon hard work, the support of capital, the aggressive zeal of practical men, but they secure, as Sir Joseph said, life and sustenance "from roots which are buried in the things of the spirit."

Principles and thoughts and ideas which are born of the spirit bring to mankind an unexpected harvest in more employment, increased comfort, greater harmony, and a better world.

"We men of affairs are inclined to dismiss as unpractical these higher considerations. Perhaps if we had a clearer knowledge of the deeper movements in life we would understand that they are of the essence of things practical."

Life Insurance Speaks

THE oldest organization of its kind on this continent took on a new lease of life last week when the Canadian Life Insurance Officers Association held a two-day convention at Toronto. Founded in 1894, this senior ranking body in the business of life insurance in Canada has had a varied career, having originally been founded as a managers' association for companies with head office in Ontario.

Like many another association in Canada, this organization has for many years gone about its business with a minimum of publicity. About once a year it emerged from the important routine business of its every-day life to hold a morning session of two hours' duration and listen to a speaker on some subject of national importance.

The 1937 convention inaugurated a new and broader policy. The meeting lasted for two days, including an afternoon for golf and a banquet which gained nation-wide publicity, of doubtful value in this case, since it was the occasion for Premier Hepburn of Ontario to cast himself loose from his former political chieftain, Prime Minister King.

Life insurance leaders in Canada are wise to realize the tremendous value of taking the public into their confidence in respect of many of the problems of their business. There are 3,500,000 policyholders in Canada who make up the rank and file of the association's clientèle. The more they can be educated to know and appreciate life insurance and its problems and virtues, the easier it will be for the salesmen, the legislator, the company executive, who find ignorance one of their most formidable enemies.

As V. R. Smith, retiring president, pointed out in his annual address, the association has for its objective "the fostering of sound and equitable principles in the conduct of our business, and in general, the promotion of the welfare of the companies and their policyholders."

There is no reason why this important body which is the acknowledged spokesman of the life insurance business in Canada should not be well and favorably known by the bulk of Canadian policyholders. To hold a position of trust and confidence such as this requires careful, constructive effort over a long period of time. It is a goal difficult to attain, but highly to be desired.

The Social Credit Magician

MAJOR C. H. DOUGLAS, author of numerous books on "social credit," has written another one, explaining the failure of what he terms "the Alberta experiment." Major Douglas blames it on the mistakes of the Aberhart administration, clearly suggesting that the Douglas system, whatever it may be, is still a cure for everything that's wrong with the economic welfare of mankind.

Mr. Aberhart replies that Major Douglas has had ample opportunity to demonstrate his powers of magic in Alberta but has neglected them. It sounds very much as if the Alberta premier is awakening to the truth that "social credit" is a gaseous nebula which defies scientific analysis and which can be detected only by its bad odor.

We envy Major Douglas his racket. His books on social credit enjoy an enormous sale. They induce men like Premier Aberhart to attempt to put the principles into practice. Then when Social Credit fails, he is able to publish another book to pin the blame elsewhere than on his own theories.

So long as Major Douglas remains vague; so long as his writings twist deviously through fanciful theories, he will have a following. It is only deluded people trying to make his principles work who are made to appear ridiculous in the eyes of the world.

The Major gets them coming and going, which puts him one up on Mr. Aberhart, who was a more portentous figure when he was a comer than he is as a goner.

Major Douglas seems to be something of a spell-binding magician with a theatrical flair for holding an audience to the extent of selling them a good many books. He has also collected some fat fees for his mystic performances. The suggestion of The Financial Post two years ago that perhaps he does it with mirrors, still holds good.

We suggest that "social credit" will decline in popularity with the return of full prosperity, and that the Alberta experiment and the actions of Major Douglas should be a warning to those who may turn to monetary nostrums and potions for comfort when another depression comes.

The fact that may come as a shock to deluded followers of Douglas and Aberhart is that their beloved "social credit" does not exist and never will. There is no such thing as wealth for nothing.

Editorials in Brief

The official explanation that the German consulate at Ottawa half-masted its flag in memory of the sailors of the bombed battleship Deutschsland quickly disposed of rumors that the consulate was mourning Spanish civilians killed in the shelling of Almeria.

• • •

Premier Aberhart has apparently taken to himself the rôle of apostle of democracy, shunning even the appearance of dictatorship. The fact is revealed by one member of his fast dwindling ranks of disciples. Defending dismissal of civil servants in Alberta, Mrs. Edith Gostick, M.L.A. for Alberta, is quoted as saying:

"We have been trying to get these deputies out for a year but Mr. Aberhart says, 'If I go into the departments and get them out myself I'll be called a dictator. All I can do is to suggest to the ministers that they get rid of them and if they won't we'll get new ministers.'"

• • •

The effort of Mr. Roosevelt to make it appear that the U. S. budget is unbalanced because wealthy "tax dodgers" evade their obligations is a well-kippered herring. Income tax evasions can always be punished if they are fraudulent. But the President argues that in addition to legal fraud there is such a thing as moral fraud. It is moral fraud apparently when a taxpayer who could afford to pay more to the Government does not offer to do so but merely pays what the law requires him to pay.

When a government hounds its taxpayers unfairly to extract the last nickel from them and then throws much of the money down political sewers it invites tax evasion. The whole thing becomes a game, played in dead seriousness. The taxpayer feeling he is going to be cheated by the politicians endeavors to lighten the burden by every legal—and in some cases illegal—means.

Sayings of the Week

"We have become suspicious and others must disarm first."—*Adolf Hitler.*

• • •

"Dictators look upon people as so much fuel to feed the war furnace."—*Senator Borah.*

• • •

"Economic issues cannot be settled with a policeman's night stick."—*Mayor La Guardia.*

• • •

"It is a socialist idea that making profits is a vice.—I consider the real vice is making losses."—*Winston Churchill.*

• • •

"You must make many compromises with pure reason to live successfully in a human world."—*Sir Josiah Stamp.*

• • •

"Needs that were narrow and parochial a century ago may be interwoven in our day with the well-being of the nation."—*Justice Cardozo of the U. S. Supreme Court.*

• • •

"We should think peace, talk peace, and act peace, but if war comes we should be prepared to fight it, win it, and survive it."—*Bernard M. Baruch.*

• • •

"No process of collective bargaining can change the fact that in the final analysis private profit depends upon relative scarcity."—*Norman Thomas.*

• • •

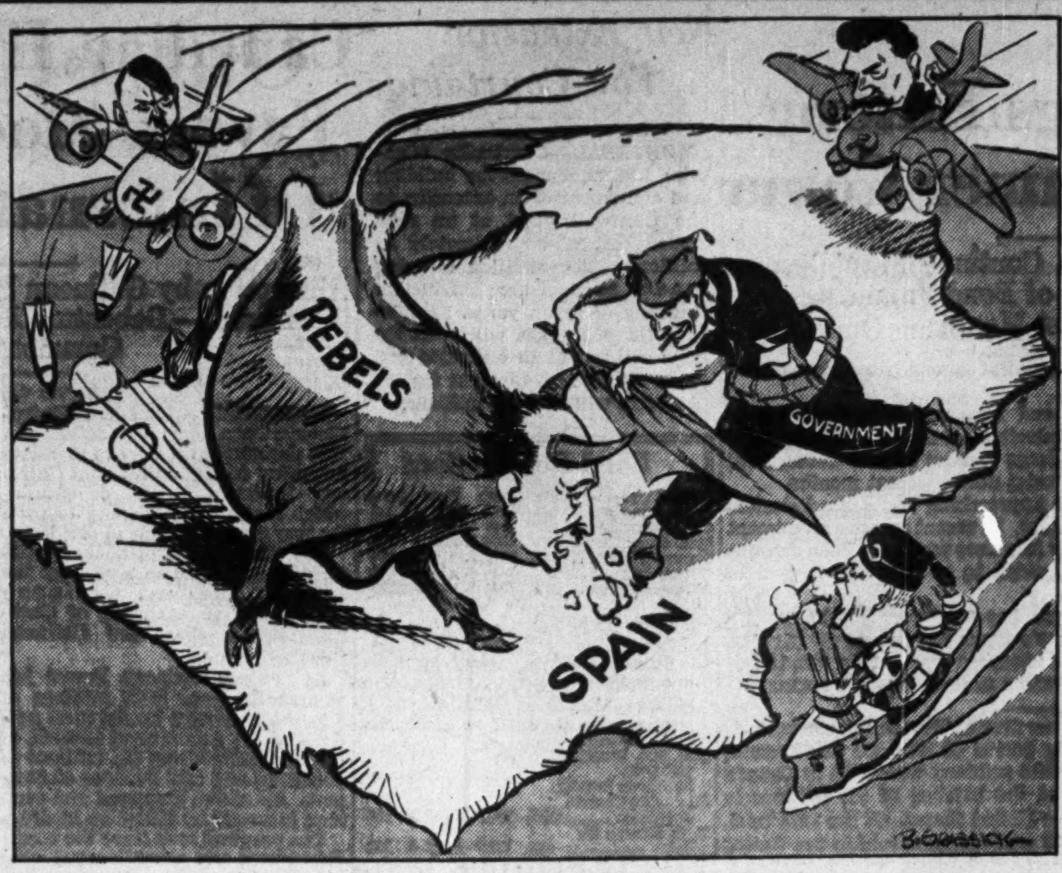
"There is no worse menace with which a country can be confronted than a dictatorship set up outside that country."—*Premier Hepburn on the C. I. O.*

• • •

"The nations of America know that the welfare and prosperity of each is largely dependent on the welfare and prosperity of all."—*Cordell Hull.*

• • •

"Historians may disagree about the merits or demerits of his policies, but he was a parliamentarian who possessed the singular faculty of being able to judge the temper of the House and respond to its mood."—*Clement Attlee, leader of the British Labor Party in his tribute to Stanley Baldwin.*



—*Cartoon by Grassick.*

A QUIET AFTERNOON IN SPAIN — 1937 STYLE.

Smuts,—Warts and All . .

GREY STEEL. A study in Arrogance. By H. C. Armstrong. Published by S. J. Reginald Saunders, 84 Wellington Street W., Toronto. Price $3.

A towering world figure is Jan Christian Smuts. The author of this biography groups him with Lawrence of Arabia, Marshal Foch and Mustapha Kemal as one of the four men whose reputations have come out of the tremendous struggle of the world war, untouched by the fury of the iconoclasts.

Most of the world knows only one Smuts; the idealist, the apostle of the League of Nations, the ceaseless messiah of the gospel that all mankind is one indivisible whole. But for most of Smuts' life there was another figure, the arrogant, ambitious, cunning, small South African lawyer who had none of the ways of winning people but all the tricks of commanding them. Mr. Armstrong's life reveals a life of such contrasts as to be an almost unbelievable story to those who have known only the Smuts of these post-war days.

Two Personalities

"Smuts had two completely different, even antagonistic personalities: the Smuts in South Africa, disliked and distrusted, impatient and easily irritated by administrative details, reserved, and haughty to arrogance, often descending to political tricks and often petty; and the Smuts in England, the illustrious statesmen, calm and deliberate, giving wise and wide-visioned advice, trusted and listened to by a whole nation with attention that amounted almost to veneration."

So the author describes him and the whole volume corroborates the correctness of this piece of character study.

Smuts was a South African of modest beginnings. He had his roots in the soil of that land, although he went to Cambridge to study law. He neither sought nor won friendships at college, but he must have gained some respect for the English. He came back an ardent admirer and supporter of Cecil Rhodes—the first of that quadrumvirate of world figures who were Smuts' inspiration during the different phases of his career. The other three were Kruger, Botha and Lloyd George.

Breaks With Rhodes

The Jamieson raid left Smuts disappointed and disillusioned in Rhodes and drove him straight into the arms of Kruger. A clever, unpopular but crafty politician, he worked night and day against the British until he fought against them in the South African war. He roused his men to intense hates when he led them on the famous raid into the Cape. But when he saw that peace was best he went out for peace with the English as stubbornly as he had gone out for war. Then with the quiet, diplomatic, human Botha he worked to unite South Africa under the British Crown.

The Great War gave Smuts another chance at his favorite occupation—guerilla warfare. But Botha proved the better general. Botha cleaned the Germans out of West Africa. Smuts took them on in the East but, disregarding all sound advice, he made a sorry effort of his campaign. When Botha could not go to the Imperial War Cabinet meetings in London, Smuts was sent. Other generals took over the task of winning German East Africa. For propaganda purposes, Lloyd George gave Smuts all the credit and, remembering that Smuts less than two decades before had fought the British, Lloyd George built him up into a world figure. Then an amazing thing happened. Smuts proved to be a big enough man to match the myth that British propaganda made of him. He had great influence at the Peace Conference and fought for the Wilsonian ideals, which he had so largely inspired. But he signed the treaty and let the idealists down.

Post-war Smuts

Back in South Africa Smuts achieved the prime ministership of the Cape; he smashed Communism in the mines ruthlessly and at great personal risk (danger never meant anything to him). He fought Hertzog's nationalist aspirations as he would have fought a foul disease. Yet when the time came, he joined Hetzog in union government.

Seldom is a good biography written of a man during his life time. Here is an exception to the rule; a biography that paints the subjects in the Cromwellian fashion, warts and all, and yet reveals the insistent idealism of his life. It is a vivid and vigorous biography of a tremendous living personality.

Credit in Chicago

THE CHICAGO CREDIT MARKET. By Melchior Palyi. Published by The University of Chicago Press. Price Chicago. Price $4.

Chicago is not, in the ordinary sense of the term, a great financial centre. But it is an important commercial credit market, third in size among the cities of the world. Chicago's importance as such arises from the industrial and commercial wealth of the vast territory that is tributary to the city. An analysis of its position as a core of the far-flung banking system that covers its territory provides Dr. Palyi with an excellent opportunity, which he has grasped, to study the operation of the commercial credit mechanism in the United States, to report upon the consequences of the establishment of branch banking, and more particularly to probe the relationships of large city banks with their country correspondents.

Dr. Palyi is a Hungarian economist, formerly of Berlin and London, now on the staff of the University of Chicago. He is well known in Canada and has written for The Financial Post. His volume provided a much-needed addition to banking textbooks. It complements the larger surveys of the whole United States banking system that have had so much to deal with that they have not been able to report upon regional operation of the credit system.

Rebels Against Rebels . .

It all depends whose ox is gored, or whose body politic is reft by rebellions.

Domination by this principle of Canadian radical circles was brought to a peak by the frenzy of enthusiasm in recent months for "defense of Spanish democracy."

Rallying of Communists and other radical groups in Canada, as well as in other parts of the world, made it increasingly clear that it was not so much democracy that was being defended as the growing influence in Spain of Communists, anarchists and kindred revolutionists.

Not content with throwing a barrage of pro-Loyalist propaganda at Canadians and raising funds for medical units in Spain, Canadian Leftists managed to mobilize a unit to fight in the International Brigade of the Spanish Government. The unit was flamboyantly christened, with a naive touch of apparently unconscious irony, the "Mackenzie-Papineau Battalion."

Ironic Title

The irony becomes clear when one considers that the names of the two most famous rebels in Canadian history have been attached to a group of men, all or most of them dedicated to the overthrow of constituted authority by revolution, who travelled across the ocean to fight, not with, but against rebels.

Despite a deluge of emotional propaganda about the battalion's mission to "save democracy,"—the eager volunteers were evidently ready to fight mainly for Communism and other dogmas of violence, and for the principle that only Reds have any right to foment revolution.

Appearance of evidence as to the composition and purpose of the battalion was climaxed last week by a full page splash in the "Daily Clarion," Communist-Labor Journal published in Toronto. The display was dedicated primarily to glorifying the memory of eight members of the battalion killed in action this spring. Their names were listed in an elaborate roll of honor, surmounted with crossed flags and encased in a border of maple leaves.

All Communists

Examination of the roll and the accompanying obituary notes revealed the significant fact that every one of the eight men, victims of the fight of revolutionists to crush revolution, was a member of the Communist Party of Canada. An open letter on the same page from members of the battalion describes its composition as "Liberal, C.C.F., Communists and Democrats," but if the make-up of the unit is to be judged from its casualties, it is entirely Communist.

The men killed are listed as:

Fred Lackey, Toronto, joined Communist party in 1935.
Arthur Morris, Blairmore, Alta., described as "promising union man and Communist leader."
Michael Russell, Montreal, joined C.P. in 1934.
George Lakowsky, Toronto, member of C.P. since 1928.
Adrian Vanderbrugge, St. Catharines, Ont., local secretary of C.P.
A. M. Garcia, Montreal, joined C.P. in 1936.
Elias Aviezer, joined C.P. in 1936.
Joseph Campbell, Montreal, active member of Section No. 5 Committee of C.P.

According to an open letter from a Toronto group styling itself "Friends of the Mackenzie-Papineau Battalion in Spain," the battalion is "fighting for peace for Canada, for democracy for Canadians." Sympathies of the battalion members and their supporters would indicate that they are fighting for the Communist brand of Canadian democracy—based on revolution and opportunist seizure of power.

Folks in Finance

Maybe It's His Life's Goal

IN one of the most unusual transactions recorded by the New York Stock Exchange, John A. Hance, 82-year-old senior partner in the firm of Jesup & Lamont, has become a member of the exchange. Records of the trading body do not show the ages of successful applicants for membership, but attachés of the organization believe that Mr. Hance is one of the oldest, if not the oldest, ever to become a member. His seat was purchased from John R. MacKinney of MacKinney & Weicker, which remains a member firm. The price was $91,000, the low for the year so far.

Degree Collector

SOME men collect honorary degrees as other men collect paintings, old books or lepidoptera. One such is Sir Josiah Stamp, Hon. D.Sc., Oxford; Hon. D.Sc., Cambridge; Hon. LL.D., Edinburgh, Dublin, Toronto, Harvard, Columbia, California, Northwestern, Southwestern, Syracuse, Duke, Washington and Lee, McGill, Western Ontario and, no doubt, a dozen others. His latest two honorary degrees were conferred upon him in Canada, when he gave convocation addresses at McGill and University of Western Ontario.

Sir Josiah Stamp is equally versatile in his writings. He has written on railway operation, the income tax, biology, eugenics, economics, money, sociology, grain futures, gold, prices, war, and a host of other subjects.

He is a railway chairman, head of the board of governors of a university, past president of the British Association for the Advancement of Science and member of more governing boards and learned societies than could be listed in a column.

Is there any real purpose and direction behind all these manifold and diverse activities? Do they all point in a single direction?

The important thing about the amazing Sir Josiah is that they do. Sir Josiah Stamp is a specialist in some things, notably the income tax, but in the main he is not a scientific specialist and does not want to be one. Rather he has equipped himself with just enough understanding about each of the important branches of science to enable him to be the interpreter of the different sciences one to the other; and interpreter of the great masses of the people to the men of learning and of the men of learning to the masses of the people.

He is constantly preaching to men of learning to come down to the level of understanding of the people. He urges, in fact, a retrogressive education for all Ph.D's., under which they would have an opportunity to unlearn much of what they have learned.

Whatever singleness of purpose there is in his remarkable career is along that line; studying the impact of new scientific ideas upon the economic and social life of the people.

He is a prodigious writer; he turns out several books and dozens of complete speeches and addresses every year. The Financial Post, exploring his mind and his methods the other day, asked him when he did his writing, and how much assistance he had from understudies digging up facts.

He dug up all his own facts and did all his own writing, he said quite emphatically. And he did it all quite late at night. Many nights, when he is in London, he has to go to evening affairs. But when he can stay home, he steals away to his library about 10 o'clock and writes for an hour and a half. He goes to bed at 11.30 refreshed by the effort. And another book is a chapter or two nearer its finis.

Other People's Views . . . .

Off With Our Heads

New York Herald-Tribune

Mr. Homer Martin and his C. I. O. colleagues think, or say they think, that they have a case against Mr. Ford, under the Wagner law, because of his circularization of "Fordisms" with time checks.

Because they supported President Roosevelt for re-election last fall, and because he was re-elected, John L. Lewis's C. I. O. and all the other radical labor groups have ever since been sure of a number of things, all dependent upon the dictum that the king can do no wrong. The first is that the President is their man (a view which he has encouraged).

It is this interpretation of last November's election returns which has, in the recent past, encouraged the automobile strikers in their new-born faith that property rights amount to nothing. So it is again this interpretation of the election returns which inspires Mr. Martin, of the U. A. W. A., to threaten Mr. Ford with legal action because of an appeal to employees in print against the unionization of the Ford plants The "Fordisms," handed out with time cards, they conceive to be a violation of the Wagner ban on coercion. They are so sure of their control of an extraconstitutional dictatorship in these United States that they cannot understand how an employer of labor can presume to express an opinion against an outside labor movement.

They are sure that, by virtue of the Wagner act, product of the last elections, the man who hires help ceases to enjoy constitutional rights. If the farmer of a truck patch hires an itinerant workman to hoe his beans, that labor waif should, under the new dispensation, join a union. He should then establish an immediate claim upon most of the farmer's profits by sitting down among the beans until his union's voice in horticulture is recognized. But if the truck gardener says anything to his helper about politics, unions or the state of the union, he is guilty of unfair labor practice. By virtue of being an employer the right of free speech is ipso facto denied him.

In The Mail

(Not over 200 words, please)

Who Wins in Tariffs?

Editor, The Financial Post:

As a subscriber to and constant reader of your excellent, The Financial Post, may I be allowed a corner to suggest that bargains to admit raw materials in return for manufactured materials are no bargains, and must be unfair to the country that sells the raw material, for both horses are "pulling the same way."

To put it simply, the country that admits $5,000 of pianos at a reduced duty of 15% sacrifices an assessable amount of $750, she makes an absolute present to the country that makes the pianos of $750. The manufacturing country should, in a fair bargain, repay that $750. But she cannot repay it by buying in $5,000 worth of timber, wheat, or any raw material. They are not assessable as any sacrifice to the nation that buys them. It is only too glad to have them as another source of cheap supply. Both horses are pulling the same way. I claim that in such bargains the advantage always lies with the country that manufactures. This seems to apply with special force to Canada in her relation with the U.S. and with the British Empire.

T. H. DELABARE MAY,
Bath, England.

As Others See Us . . . .

News From the Conference

Ottawa Journal

The London correspondent of The Financial Post cables what appears to be the most authentic account that has yet come of the progress thus far made by the Imperial Conference.

Not "French-Speaking"

Woodstock Sentinel-Review

The Financial Post estimates that there are 299,732 French-speaking Canadians in Ontario to whom advertisers may appeal "in their own language." Excluding, we suppose, high school students who have obtained a pass mark in French.

Liberal Minded

Moose Jaw Times-Herald

The Financial Post of Toronto, which has become liberal minded on the world trade problem, shows that it is no idle chance that brings together at the economic conference at London a discussion of Empire trade and defense problems.

Not all "News" is News

Orangeville Banner

The Financial Post has the laugh on daily newspapers and other publications that were busy last winter predicting a further increase in the price of gold. At the time The Post suggested the wisdom of caution and finally declared that much of the talk about raising the price of gold was just so much "sucker bait." It now appears that at the very time the articles on the prospect of an early advance in the price of gold were being published many of the largest holders of gold shares were quietly lightening their load. This suggests the thought that small investors and small speculators should act cautiously and not accept everything that appears in print as gospel truth. Forecasts of market trends and market probabilities are not always as disinterested as they may appear on the surface.

As Things Should Be

Timmins Press

Even The Financial Post subscribes to a new relationship between Labor and Capital. It says:

"Industry is a partnership and every worker is a partner, who should be treated as such. The workingman is a risk bearer just as the owner."

And from day to day in the news, there are examples of just such a relationship being established.

Establishment recently of a $250,000 trust fund for his 350 employees was explained by Harmon P. Elliott, a Cambridge (Massachusetts) manufacturer, as a practical attempt to restore the harmony between employer and worker which existed in small factories when he entered business 30 years ago.

Under Mr. Elliott's scheme, the estimated $17,500 income from the fund will be divided once a year among employees of more than 10 years' service. In the event that the fund terminates or that the factory is sold or closed, the principal will be distributed among all factory workers who have been in his employ for more than three years.

Stop Me If You've Heard This One . .

The colored preacher was talking to his congregation about free salvation. Finally he asked Brother Smith to take up the collection. At this point an old darky got to his feet and said: "Parson, I thought you said salvation was free—free as the water we drink."

"Salvation is free, brother," replied the minister. "It's free, and water is free; but when we pipes it to you, you have to pay for the piping."

Week in Business

Central Provinces Lag In Business Recovery

New Impetus from Tourist and Agricultural Industries Expected in July — Construction Disappointing —Confidence Still Lacking in Labor Outlook

Though latest official statistics still fail to confirm it, there appears to be some slowing down in general Canadian business in recent weeks. This trend, however, is not general but as it seems to apply more particularly to the central provinces where the great bulk of the population is concentrated, there may be some shrinkage in total volume.

The return of the old government in British Columbia and the expectation of a similar happening in Nova Scotia later this month is significant indication of satisfactory business progress at both ends of the Dominion but not necessarily for the country as a whole.

• • • •

Long views of Canadian business remain optimistic. Output of leading basic industries in the last six months has been more than maintained. There has been very definite improvement in many of these and as for those which still remain depressed, at least there has been no slipping back.

But development of new business has been disappointing and in any steady recovery new fuel must be constantly added. Hampered by mounting costs residential construction both in regard to new building and improvements, has definitely failed to measure up to anticipations. Backward spring weather in the great retail buying areas of Eastern Canada gave sales of seasonable goods a check which has not yet been offset by the warmer days of June. To some extent strikes have offset fatter pay envelopes. Of more importance in this connection however, is a lack of confidence that the era of strikes is over. So long as uncertainty persists, so long will normal purchasing be restricted. The average person hesitates to spend a dollar until he can see the next one on its way. Stagnation in the stock markets is at least partly responsible for the recent slight falling off in the purchase of luxury and semi-luxury products such as motor cars, refrigerators, furniture and radios.

• • • •

So far in this quarter nothing has appeared in the the way of new business to lift general volume above routine proportions and nothing can be expected much before this time in July. By then the great influx of tourists will be in full swing and values of new agricultural crops will be more assured.

Business Indicators

Railways — Carloadings, gross and net earnings of both main railways continue to show gains. Notwithstanding the fact that Canada's recent wheat surplus, an accumulation of several years, was largely moved early in 1936, volume of freight handled this year is still running above same period in 1936. As grain is the leading bulk freight commodity handled in this country, gain in carloadings this year is largely due to general business improvement.

Manufacturing — Most statistics indicate activity maintained at at least last year's level. Sugar, boot and shoe, and flour production, for instance, show little variation in latest figures and comparisons.

Business Barometers — From various signs, including Dominion Bureau of Statistics weekly analysis, The Financial Post index, and retail sales for April, business is better than a year ago.

Current trend in Canadian business is shown by The Financial Post's index of business activity, with new figures for the week marked▲.

	WEEKLY DATA — Latest — 1937	1936	Cumulative Total — Jan. 1 to date — 1937	1936
Transportation—				
Car loadings (May 29)	▲44.240	44,004	993,982	901,934
C.N.R. gross earn. (May 31) .. $	▲5,218,065 $	4,893,817 $	78,904,710 $	70,721,668
C.P.R. gross earn. (May 31) .. $	▲3,763,000 $	3,380,000 $	55,316,000 $	51,084,000
Business Conditions—				
Weekly index D.B.S. (May 29)	▲110.0	102.5	......	......
MONTHLY DATA				
Business Conditions—				
Financial Post index (Apr.) ...	119.7	107.7	......	......
Transportation—				
C.P.R. net revenue (Apr.) ... $	1,848,410 $	1,337,457 $	5,490,823 $	4,165,161
C.N.R. net revenue (Apr.) ... $	2,249,015 $	1,455,306 $	4,566,511 $	1,532,047
Iron and Steel (April)—				
Pig iron production (tons)	▲68,138	54,045	267,519	226,141
Steel ingots and castings prod. (tons)	121,426	107,220	473,590	401,902
Automobiles (Number)—				
Passenger Cars:				
Domestic sales* (Apr.)	▲16,070	17,380	46,771	35,928
Factory output (Apr.)	.12,927	20,247	61,664	56,849
Trucks and Buses:				
Domestic sales *(Apr.)	▲3,839	3,465	10,505	7,702
Factory output (Apr.)	.4,154	4,704	19,608	12,693
Exports (Apr.)	▲5,753	3,740	22,603	22,558
Construction—				
Building permits (Apr.) .... $	6,098,036 $	3,237,366 $	16,568,165 $	8,829,837
Contracts awarded (May) .... $	24,170,500 $	14,962,800 $	80,066,200 $	56,905,100
Newsprint (tons)—				
Production (Apr.)	298,347	256,721	1,162,680	952,145
Exports, tons (Apr.)	.252,790	192,893	1,030,212	818,418
Sugar (lb.)—				
Melting & sales§ (raw)	▲91,836,204	92,560,733	219,613,790	207,081,288
Manufactured§	▲87,559,375	86,330,367	209,735,216	199,948,805
Flour (bbls.)—				
Production (Apr.)	▲1,051,564	1,009,464	4,158,432	4,182,210
Wheat flour exports (Apr.) ...	285,724	281,162	1,337,846	1,412,348
Trade—				
Retail trade (index no. of sales) (April)	▲78.3	70.3	......	......
Imports (April) .... $	56,891,072 $	42,217,004 $	228,444,561 $	177,085,771
Exports (April) .... $	66,907,258 $	57,964,176 $	315,373,497 $	260,088,149
Wheat exports (bus.) (Apr.) ..	3.617,803	6,572,364	23,517,460	41,517,038
Employment D.B.S. Index (May 1)—				
All industries	106.3	99.5	......	......
Manufacturing	113.8	102.7	......	......
Electric Power Output (Apr.)—				
Total monthly m.k.h.†	2,322,884	2,164,628	9,199,627	8,329,743
Other Industrial Indices—				
Lumbering:				
Plank & board exports M. bd. ft. (April)	101,079	107,949	527,685	417,604
Boot & shoe prod., pr. (Apr.)	▲2,219,297	2,065,587	8,017,938	7,525,384
Crude petrol., imp. gal. (Mar.)	50,483,343	65,383,199	157,542,315	166,169,464
Cotton imports. lb (Mar.) ...	15.462,512	13.558,113	42,770,417	45.221,720
Raw rubber imp., lb. (Mar.) ...	5,851,745	4,052,065	12,354,403	12,246,613
Coal imports, tons (Mar.)	623,071	506,260	1,684,476	1,489,780
Cigarette cons. (Apr.) No.† ..	550,549	420,753	1,851,587	1,466,318
Finance—				
Bank debits (Apr.)† .... $	3,376,201 $	2,773,756 $	12,525,327 $	11,132,084
Bond sales (April) .... $	46.331,500 $	104,669,391 $	435,482,731 $	515,960,505
Life insurance (Apr.) .... $	32,919,000 $	28,876,000 $	123,220,000 $	121,609,000
Automobile Financing (Apr.)—				
Used cars .... $	4,035,932 $	2,897,812 $	9,724,776 $	6,644,988
New cars .... $	5,006,159 $	4,267,363 $	12,099,391 $	8,615,890

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For 4 weeks to May 22.

Fanny Farmer Makes 25c Payment Regular

Announcement of another 25 cents a share dividend on the common stock of Fanny Farmer Candy Shops, Inc., confirms the earlier intimation that the stock would be placed on a regular dividend basis of $1 a year.

The present payment of 25 cents a share will be made July 1, 1937, to shareholders of record June 15. The first payment at this rate was made on April 1, 1937.

At the annual meeting in March, J. D. Hayes, vice-president, said that sales were about 15% higher for the first two months of the year as compared with the corresponding period of 1936. It is understood that sales and profits have continued to make a very favorable comparison with the same period of last year.

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PRESIDENT

Stuart G. Baits, newly appointed president and general manager of Hudson Motors of Canada Ltd. He succeeds A. E. Barit, who becomes chairman of the board.

Burry Biscuit Earnings Gain

Initial Dividend 25 Cents a Share on Common Stock

Dividend policy of Burry Biscuit Corp. will be to pay to shareholders as much of earnings as possible, eliminating any penalty from the U.S. tax on undistributed profits. An initial dividend of 25 cents a share has been declared on the common stock, payable June 21 to shareholders of record June 14. Consideration is to be given to payment of another dividend before Oct. 31, when the company's year closes.

The company's sales this year are reported 15% ahead of last year, and it is understood that there has been a substantial increase in earnings.

George Burry, president of the company, is to sail for England in July to complete plans for a new biscuit plant near London.

The regular quarterly dividend of 75 cents a share on Burry Biscuit preferred shares of $50 each is being paid June 21, synchronizing with the payments on the common. Ordinarily the preferred dividend would be paid July 1.

Out of the West ~

For the First Time in 27 Years the C. M. A. Has Chosen a President From Vancouver

By KENNETH R. WILSON

When members of the Canadian Manufacturers' Association assemble in annual convention they like to talk about the far-flung ramifications of industry in Canada. This year, for example, they stressed the fact that Canada has something over 25,000 manufacturing establishments employing on an average 21 persons in each plant.

They like, also, to emphasize the fact that their membership is drawn from every part of the Dominion and that there is vigorous organization and membership in the Association in almost every town, city and hamlet throughout the land.

Last week in Toronto at its 66th annual general meeting, the Association paid tribute to the wide diversity of Canadian industry by electing as president, Captain Frank Currey Brown.

Representative Canadian

In many ways Captain Brown is about as typical a representative of Canadian industry as can be found anywhere in the Dominion.

In the first place he comes of fine old Loyalist stock. His mother's people — the Curreys — were the first of the U.E.L. pioneers to settle in the Saint John River district. The Browns themselves were of Loyalist stock.

Secondly, the new C.M.A. president was born and brought up on a farm at Petitcodiac, New Brunswick, 54 years ago.

But like many another Maritimer he left his native heath and moved westward first as a general merchant in Arcola, Saskatchewan and later in the wholesale grocery business in Calgary. In 1912 he trekked still farther west to Vancouver to carry on a manufacturer's agency and since 1926 has been managing director of the Canadian Western Cordage Company.

First in 27 Years

Vancouver is especially pleased by the appointment because it is the first time in 27 years that their city has been honored with the highest office in the gift of the Association. The last incumbent was John Hendrie who filled the office with great distinction in 1910.

Captain Brown is a citizen of which any community might be proud. He started to work at the age of 14 with the firm of Manchester, Robertson & Allison in Saint John, New Brunswick, and four years later joined the Canadian contingent which took part in the South African War. It was on his return from South Africa that he decided to cast his lot with western Canada. Again in 1915 he went overseas with the 29th Battalion and for two years after the war filled with distinction the job of superintendent in British Columbia of the Soldiers' Federal Land Setlement Board.

It was during this time that he assisted in the formation of the Canada Western Cordage Co. All the shareholders in this enterprise were war veterans and he became a director. In 1925 he was appointed sales manager and a year later managing director.

Immigration Booster

In his new responsibilities with the C.M.A. Captain Brown sees ahead a year of opportunity and for leadership.

A great crusader for immigration he believes Canada must attract more people to bear her burdens and build a balanced nation. He thinks it will be hard to get the right sort of people and that we must start early if we hope to succeed. He feels it will be at least three years before any well-planned immigration policy begins to bear fruit and that accordingly there is no time like the present to begin the work.

"More people are essential to Canada," he says, "if we are to solve within a generation or more, our problems of taxation and railways. No other solution is to be found for our railways, which over two decades ago, were expanded to serve a population of 25 millions. Furthermore, our heavy Government machinery, federal, provincial and municipal, carries the overhead and framework for twice the population."

Industry and Agriculture

Because 15% of his business is done in world export markets such as South America, British and Dutch West Indies, the Fiji Islands, etc., he is keenly conscious of the need for maintaining a proper balance of costs not only as between Canadian products in competition with those of world countries, but also proper balance as between wages paid to industry and to agriculture. For that reason he strongly favors co-ordination of labor legislation through Federal Governments so as to iron out much of the overlapping and inequality which now exists.

Mr. Brown conceives it to be the duty of Canadian industry to create more skilled labor.

"During the long depression young men, who, under normal conditions, would have been learning a trade drifted into other lines that offered quicker employment," says Mr. Brown. "Sooner or later Canada will feel the ill effects of that loss to industry. A large percentage of the country's skilled labor is represented by comparatively old men, who went through their years of apprenticeship during the period of comparatively good times, when, employment in industry was steady. Now we are faced with the problem of finding skilled young men to take their place. The only way to fill the gap is to embark on a programme of encouraging industry to absorb more apprentices. It may result in temporarily increasing costs, but from the standpoint of industrial efficiency and harmony in the years ahead it is well worth while."

Industrial Relations

Though there are but 70 employees in his own plant he has important and clear-cut views on industrial relation problems. Unfortunately the expressed policy of the association as affirmed at their annual meeting, namely, that of avoiding a statement on this controversial question, precludes a public expression of these views at this time.

However, it is obvious that Captain Brown's thinking has been deeply influenced by the close proximity to Vancouver of the most active hotbed for labor troubles in the United States, namely, the City of Seattle. Having watched the spread of labor agitation there into a city-wide racket, Captain Brown is eager that everything shall be done to prevent in Canada a recurrence of the lawlessness and duplicity which has characterized operations in that city and has brought the community to a virtual state of siege.

He insists that good relations between employers and employees are vital to recovery and to increased employment and feels it is a great pity that the grave issues that have arisen should be made the subject of political controversy. The problem, he feels, calls for harmonious co-operation on the part of all leaders if the welfare of the public is to be safeguarded.

Profit-sharing

In his own plant, by reason of the small number of employees, he has been able to maintain close, first-hand contacts with his employees. Contacts which enable the plant to be operated on a man-to-man basis. Practical profit-sharing policies are carried out, which, have netted employees 5% wage increases in each of the past two years.

His own experience has led him to realize that attempts at dictation in respect of industrial relations, whether that dictation be on the part of employees or employers, merely leads to hostility and that lasting success only comes through sincere, thoroughgoing co-operative effort.

Okanagan Farmer

As a practical farmer who takes great pride in his fruit-farming property in the Okanagan Valley he senses the need for closer co-operation between agriculture and industry in Canada. He feels that agriculture must first put its house in order by greater co-ordination as between various branches such as dairying, mixed farming, grain-growing, fruit-farming, etc. His 20,000-acre fruit ranch is one of the show places of the Okanagan.

In addition to his fruit-farming he is building up a fine herd of thoroughbred Jersey cattle.

One other hobby which he enjoyed during his Calgary days was mountain climbing. He is a charter member of the Alpine Club of Canada.

Background of Business

Cigarette Tabs

A quick pull on those small, vari-colored strips of Cellophane will split open the Cellophane covering of a cigarette package but, according to a ruling of the Supreme Court of Canada last week, they are no longer in the category of a patented device.

The court upheld the right of the Rock City Tobacco Co., of Quebec, to use the device and rejected the claims of Imperial Tobacco Co. and William Wrigley, Jr. Co. to patent rights on the invention. The two latter companies had appealed a judgment of the Exchequer Court, but the Supreme Court upheld the previous decision that the tab and strip principle was already known before patents, under which the two companies claimed, were issued.

* * *

Summer Cottages

United States visitors to Canada who build or buy summer cottages will benefit from a recent customs ruling under which non-residents may bring furniture and household effects into Canada without duty or deposit, providing they are for the permanent furnishing of summer cottages owned by the visitor. A restriction is that such effects must have been owned by the visitor at least six months prior to their arrival in Canada. Any goods imported after the first arrival, or new goods imported at any later time for the same purpose do not enjoy the duty exemption.

Household furniture brought into Canada for the temporary equipment of a summer cottage is reported to customs officials at the port of entry and a deposit made of a sum equal to the duty payable. On identifying the same articles at any port, when they are returned to the U.S., the money is refunded providing they are returned within eight months from the time of entry to Canada.

* * *

Solar Boiler

Latest device for obtaining energy from the sun's rays is no hare-brained inventor's dream, but the "solar boiler' now on exhibition for the first time at the 1937 Great Lakes Exposition.

As reported by Modern Power and Engineering the new device may prove a major factor in generation of power. The existing model is specially designed to operate indoors with electric rays taking the place of the sun but the design by Dr. Charles G. Abbot, who holds degrees from the University of Toronto and other universities, appears to be the first approach to a method capable of commercial application.

* * *

Waterproof Paper

Cigarettes made with moisture-proof paper are now on sale in Canada. Most spectacular test of their qualities is made by holding a cigarette under a flowing water tap and allowing water to pour over the paper surface. If the ends are kept dry it is found that the tobacco inside is not even slightly dampened.

* * *

Chemists Convene

Annual convention of the Canadian Chemical Association and the Canadian Institute of Chemistry will be held in Vancouver on June 17 to 19. The organization represents some 15 divisional chemical groups throughout Canada.

A special train has been arranged to accommodate the eastern delegates. This will leave Toronto on June 11 stopping off en route to visit mining plants of International Nickel, Kimberley Mines and Consolidated Smelters.

* * *

Leipzig's Trade Fair

Marking the 1,978th session over an unbroken period of 700 years, Leipzig's fall trade fair will be held this year from Aug. 29 to Sept. 2. About 6,000 exhibits will be on display, representing all types of industrial and art products except machinery and technical equipment, from 25 countries. Attendance of about 200,000 businessmen from over 70 countries is indicated by advance information.

Important as a barometer of world trade conditions, sales at the Leipzig spring fair this year totalled $200 millions with sales for export at $65 millions, but repeat sales are estimated at about 150% of orders actually placed at the fair. Exhibits at the spring fair increased 10% over the previous session and foreign exhibitor representation was more than doubled. Further expansion is indicated for the fall session.

Western Grocers Co. Common Dividend Up

Western Grocers Co., Winnipeg wholesale firm, has declared a quarterly dividend of 75 cents a share on the common stock payable July 15 to shareholders of record June 20. The payment represents an increase from the 60-cent rate paid for the two preceding quarters and puts the shares on an annual dividend basis of $3 a share.

The regular quarterly dividend of $1.75 a share has been declared on the preferred stock, payable the same date.

The company had earnings in 1936 equivalent to $6.66 a share on the common stock, compared with $4.97 a share in 1935.

W. P. Riley, president, recently informed shareholders that sales and earnings had shown improvement in the first quarter of 1937.

The Greenshields Review

Copy of current issue, which includes discussion of gold, base metals and newsprint, will be sent anyone interested.

Ask for Review P1

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GOLD AND PRICES

Have recent recessions in commodity prices been caused by rumours of gold revaluation or by more fundamental causes? This question is considered in our June Investment Letter, a copy of which is available upon request.

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Life Officers Ready To Fight Any Change By Royal Commission

Feel Present Distribution of Authority Between Dominion and Provinces Well Balanced—Taxation Troubles May Require Provincial Rate Schedules

If the proposed Royal Commission to investigate the division of financial responsibility between the Dominion and provincial governments considers any redistribution of legislative powers, the Canadian Life Insurance Officers Association will urge that the existing set-up in regard to insurance be left unchanged, V. R. Smith, retiring president of the association, stated at the annual meeting last week.

It is felt, he stated, that distribution of authority as it is at present is well balanced and satisfactory. There is no substantial overlapping, and such as does exist is neither harmful nor costly. "Insurance is essentially national, even international in some aspects," Mr. Smith contended. "Touching these, a federal insurance department can and does function admirably. On the other hand, the business of insurance is peculiarly a personal business transacted through thousands of individual agents, which means that it has important aspects of a local and private character which can best have the attention of local provincial authorities."

Taxation Troubles

Among the features which would be stressed by the association in its representations to such a commission, Mr. Smith indicated, would be those dealing with provincial taxation of life insurance premiums and double and triple insurance arising out of the overlapping of provincial succession duty laws. Economy in government, either by consolidation of some services of the Dominion and provincial governments which now overlap, or by reduction of the number of services, is another matter which will be studied closely.

Taxation of life insurance premiums by the provinces of Canada increases the cost of policies by more than $4.5 millions every year. Some 80% of Canadian business in force has been written on the mutual or participating plan. In respect to this insurance, the taxes are directly reflected in smaller payments made to policyholders. In other words, net cost is higher and it is the policyholder who pays.

Urge Reduction

Life insurance companies and their policyholders do not expect that premium taxes can be done away with overnight, Mr. Smith pointed out. They do feel, however, that there should be a material reduction in the amount of premium taxes collected and also that there should be greater uniformity in the rate and basis of assessment in the various provinces. At present, the rate ranges all the way from 1% to 3.3%, and the method of determining assessment varies widely.

"It is submitted," stated Mr. Smith, "that not only should the assessable income be merely the yearly net cash outlay of the owner of insurance, but also, that refunds to the policyholders, in the form of cash surrender values and other similar payments, should be deducted from the assessable income.

"If this method of determining the assessable income were adopted in every province, then the discrimination against life insurance policyholders, represented by the tax, would be substantially moderated.

"Perhaps it is too much to hope that the premium tax will be abolished altogether, but though the life companies object to the principle of the tax, yet no great opposition would probably be offered unless and until additional revenues were open to the Government, should the tax be fixed at not more than 1%.

May Vary Rates

"If adjustments of the character indicated are not made, and if uniformity in the rate of tax and in the methods of determining the taxable income is not promoted, it is not inconceivable that it may become the responsibility of life insurance companies to their policyholders, as a whole, to calculate different scales of premiums and net costs for policyholders resident in different provinces."

Another aspect of insurance, the efforts of governments to provide social security, was discussed by Mr. Smith, who proposed that the insurance companies and the governments might well work hand in hand. While the movement for social reform is long overdue, he warned that time should be taken to consider the field as a whole and thus enable a true course to be charted.

Co-operative Effort

"It is clear," Mr. Smith claimed, "that our various governing bodies cannot stand the entire strain of the mass of social reform which is required, even though the plans are made contributory. We still have the railway problem; budgets remain unbalanced; we have not yet succeeded in living within our income.

"Where, then, are our governments to seek assistance? The logical place, in my opinion, is the private life insurance companies.

"Life insurance companies in Canada have gone on record, on several occasions, placing themselves at the service of the government, and I should like to commend to our various governments (I am sure on behalf of all our member companies) the advantages of the organization, resources and experience of the life insurance companies in any contributory plans of insurance against dependent old age.

"An honorable experience of over half a century of operating in Canada stands to our credit. We cater to one in every three of our population. We have the resources of many skilled and experienced actuaries. We have a sales staff of some 15 thousand, eager and willing to render service.

"In addition, there already exists the combination of public supervision with private enterprise in the general conduct of the business, and it would involve no change in substance to extend this to some of the social projects our governments have in mind or upon which they have already embarked. In England the success of the social insurance programme has been due, in no small part, to this combination."

V. R. SMITH C. W. GEDDES A. N. MITCHELL

INSURANCE OFFICIALS

Meeting in a two-day session at Toronto last week, the Canadian Life Insurance Officers Association elected its executive for the coming year. Above are shown (left to right) V. R. Smith, general manager of Confederation Life, and retiring president, C. W. Geddes, general manager and actuary of the Northern Life, newly elected president, and A. N. Mitchell, vice-president and general manager of Canada Life, first vice-president. Other officers elected at the meeting include A. P. Earle, president and managing director of the Montreal Life, second vice-president, and N. J. Lander, managing director of the Continental Life, honorary treasurer.

McNairn Plans Second Meeting

The Financial Post has been informed, unofficially, that Ontario insurance superintendent, H. D. McNairn, plans to hold his deferred meeting of representative fire and casualty insurance men in the near future.

It will be recalled that some time ago, Mr. McNairn, acting on complaints received by his office, intimated that the business was not being conducted in a proper manner, and gave the companies three months in which either to disprove the charges made against them or to show that something was being done to clean up the situation.

Great-West Sales At Peak For May

Campaign Brings Highest Total For Six Years

Creating a record for the highest sales volume of any May in the last six years, Great-West Life Assurance Co., Winnipeg, reports sales of 2,113 policies in May, with a total increase of $1 million over May, 1936. The campaign was featured by appointment of an agent at each of the company's branches as a sales director.

Twenty-seven branches showed gains for the month while the company's new ordinary business increased to 15% for the year to date. In excess of their quotas were Ottawa, Quebec City, Flint, Mich.

New Licenses

The following companies have been granted federal certificates of registry to write the classes of insurance named in addition to those for which they are already licensed:

Excess Insurance Co.—Property damage by vehicles.

Caledonian Insurance Co.—Property damage by vehicles.

Century Insurance Co. — Property damage by vehicles.

Planet Assurance Co. — Falling aircraft, civil commotion, property damage by vehicles.

Fire and Casualty

B.C. Superintendent Backs Joint Committee

Approves of Work on Definitions as Attempt to Improve Fire and Casualty Business—Asks For Co-operation

Recognition of the joint committee on definitions and underwriting powers as a constructive force seeking to improve conditions in the fire and casualty insurance business was made last week by H. G. Garrett, superintendent of insurance for British Columbia.

In the most definite statement yet made officially by a Canadian insurance superintendent on this question, Mr. Garrett requests that all companies operating in the province observe the rulings and forms approved by the committee. Further, he has asked the companies whether they propose to accede to his request. It is understood that of 244 companies transacting fire and casualty insurance in Canada, 132 tariff and 44 non-tariff companies have signified their approval of the committee's work, and are adhering to its rulings in certain provinces. Not all of these, however, do so in British Columbia.

Defining Committee

The joint committee appointed by insurance superintendents, is a body which, as the title implies, defines and interprets what risks can and cannot be covered under marine and inland insurance policies. It has issued a number of recommendations to insurance authorities since it was introduced back in 1935. It has, however, been the centre of widely varying opinions on the part of insurance men, some of whom are of the opinion that it is entirely unnecessary.

Mr. Garrett's attitude comes as a surprise to many company officials. While it has been known for some time that he favored the committee in principle, it was also known that he was doubtful of his ability to back up its rulings in law. He still concedes that there is uncertainty regarding the legal basis of the power assumed by the joint committee, and also as to the extent of the superintendent's authority. On the other hand, he infers that it is an attempt to solve the problems of the business and states that further legislation may be expected if co-operation among the companies is not forthcoming.

Garrett Statement

In part, Mr. Garrett's statement, addressed to fire and casualty insurance companies, reads as follows:

"The remarkably large majority in favor of the procedure established in Canada is strong testimony of a desire to better conditions and find a solution for the particular evils in the general interests of the business of insurance. Such a consensus of opinion not only between companies transacting different classes of business, but also between tariff and non-tariff companies, is a somewhat rare and novel phenomenon, and patently merits a thorough trial. The experiment, however, cannot succeed if a few companies are determined to refuse adherence and will not cooperate.

"It is futile and insincere to talk of improving conditions and to reject what appears to be a sound method of achieving that very object. I am heartily in favor of the idea underlying this effort and the method employed to effect it. I believe that a technical businesslike insurance should regulate itself and government should only intervene when the business exhibits an incapacity or unwillingness to operate in a sane and proper manner or its conduct is injurious to the public interest.

"The keynote of future progress is co-operation, and here is a case where co-operation is vital and should be freely rendered by every company, even though it does not happen to be in absolute agreement. It may be predicted that further legislation is inevitable if success is made unattainable by a small minority of recalcitrants.

"I therefore request that every company licensed in British Columbia will show its public spirit by loyally co-operating in this matter and will observe and use the rulings and forms approved by the joint committee not only in this but all provinces. This experiment must be thoroughly tested. If it is inherently defective or is not worked out with impartiality, it will fail and deserve to fail."

Western Empire Life Increasing Its Sales

Improved business volume in the Canadian west and better prospects for farm production are credited for much of the improvement reported in business of The Western Empire Life Assurance Co., Winnipeg, this year. New business in May gained 150% over May, 1936 and for the first five months of 1937 new business is 34% above the same period of 1936. New premiums in cash are 62% above the 1936 period.

Fire Prevention Bodies Plan Meeting in Ottawa

Twentieth joint annual conference of the Association of Canadian Fire Marshals and Dominion Fire Prevention Association will be held June 14 to June 16 in Ottawa, it is announced by Grove Smith, Dominion Fire Commissioner.

Indicative of the fire prevention results of the two bodies is the fact that since the associations were first established, fire losses in Canada have been reduced to a third of their former volume, despite increases in property values.

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Fidelity & Guaranty
Company
TORONTO

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Insurance Company
Canada's Largest Fire Mutual

A leading All-Canada Company — in volume; in strength; and in service to "select" property-owners and agents.
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FIRE WINDSTORM AUTO CASUALTY

Assets Higher For Eagle Star

Volume of Business Also Shows an Increase Over Last Year

Assets of Eagle Star Insurance Co., until May 1, the Eagle Star & British Dominions Insurance Co., increased by $4 millions during the financial year ended Dec. 31, 1936, and now stand at just over $123 millions.

Improvement is recorded in almost all individual totals, apart from life assurance and annuity fund, which declined nearly $7 millions to $70.3 millions. General reserve fund showed a very substantial increase during the year, rising from $6.6 millions in 1935 to $12.2 millions.

Volume of business in respect to the operations of the company as a whole was materially higher than in the previous year. Fire insurance premiums were slightly lower, but loss ratio stands at the very favorable figure of 40%. A large expansion of new business was apparent in the company's life insurance department, with substantial improvement also noted in accident and sickness, employers liability and miscellaneous lines.

In referring to Canadian conditions at the annual meeting of the company, Chairman Sir Edward M. Mountain stated that the insurance situation has not improved, and that although 25 companies have retired from the field in the last few years, competition is keener than ever.

London Life Insurance Makes New Appointments

Appointment of J. Hiles Templin as manager of the London Life's new ordinary branch in Hamilton, Ont., is accompanied by other important staff changes in the company's organization. Mr. Templin was appointed district manager in Ottawa in 1935 and on his transfer to Hamilton Harold I. Weir, C.L.U., will become manager for the ordinary branch at Ottawa

R. H. McCarten, C.L.U., district manager of the company's ordinary agency, at Hamilton, continues as manager of that agency which takes in the Niagara peninsula and extends westward to Woodstock, Ont.

North. Assurance Shows Low Ratio

Fire Loss Experience in Canada Satisfactory During 1936

Northern Assurance Co. and its associated companies, Royal Scottish, World Marine and General, London and Scottish, and Scottish Metropolitan wrote $1,093,589 in fire and casualty premiums throughout Canada in 1936. Losses were $436,123 or 30.88%, an extremely favorable experience in view of the fact that accumulated fire loss ratio of all companies in Canada since 1869 is over 55%.

Northern Assurance's 101st annual report covering operations in all territories reveals a moderately successful year, an increase in total income bringing this figure to £6.3 millions. Fire loss ratio was 41.4% or only 1.1% above the record low of 1935. Such low fire loss ratios cannot be expected to continue indefinitely, however, according to the Earl of Caithness who presided at the annual meeting in Aberdeen.

Market value of investments, consisting largely of British Government stocks at fixed interest, was in excess of ledger value at the year-end. A further £50,000 was added to contingency reserve and profit and loss account was increased by £131,935 as a result of 1936 operations.

"RIDE? I'd love to—but my doctor says WALK!"

PEOPLE who are well fed—too well fed—and who do not use up excess food in work or play are especially liable to develop diabetes. Many are inclined to press a button, turn a switch, or telephone to get what they wish, with little or no physical effort.

If you are overweight and more than forty, it does not necessarily follow that you will have diabetes—but you are far more likely to get it than if you are underweight. You should be on guard, especially if there is a history of the disease in your family.

Diabetes begins when the body can no longer produce enough insulin to make use of the sugar and starch in a normal diet. In many mild cases of the disease the doctor may prescribe a special diet only. In serious cases, the person who cannot make a sufficient supply of insulin in his own body must supplement it with other insulin.

Until Dr. Frederick Grant Banting and his associates made their great discovery of a substitute for human insulin, diabetic patients, except those with the disease in mild form, were in desperate straits. Before that, by living on a severely restricted diet, with nearly all sugar and starch removed, the end could be postponed. But it was a grim, losing fight. That is all changed now. With insulin, diabetes can almost invariably be brought under control. Insulin has not only rescued children who would have been doomed without it, but it has enabled them to grow and to live normal, healthy lives. It has lifted adult diabetics out of the invalid class, making it possible for them to resume their regular occupations.

Diabetes may cause no pain and little inconvenience in the beginning. Sometimes its presence is unsuspected until it has made considerable headway. But it can be detected by a doctor's examination and laboratory tests.

When insulin is needed, it is dangerous to delay its use. Coma and other serious complications may result. Better and more effective compounds of insulin, which reduce the number of necessary daily treatments, are being steadily developed. Physicians, everywhere, who have become familiar with the new, slow-acting insulin, are rapidly making it available to their diabetic patients.

The Metropolitan will be glad to send you its free booklet, "Diabetes." Address Booklet Department 6-F-37 Canadian Head Office, Ottawa.

Keep Healthy—Be Examined Regularly

METROPOLITAN LIFE
INSURANCE COMPANY
NEW YORK

FREDERICK H. ECKER
Chairman of the Board

LEROY A. LINCOLN
President

CANADIAN HEAD OFFICE—OTTAWA

SERVING CANADA SINCE 1872

FIRE • CASUALTY • MARINE

EAGLE STAR & BRITISH DOMINIONS INSURANCE COMPANY LTD 1807
OF LONDON, ENGLAND

RESOURCES OF THE COMPANY
As at DECEMBER 31st, 1936

Paid-up Capital	$15,516,857.24
General Reserve Fund	12,166,500.00
Profit and Loss A/C	1,351,956.08
Exchange Reserve Fund	364,995.00
Provision for Pensions	973,320.00
Life Assurance and Annuity Fund	70,307,784.80
Sinking Fund and Capital Redemption Fund	3,379,707.70
Fire Insurance Fund	2,036,024.84
Accident, Employers' Liability, Motor & General Insurance Funds	5,334,810.72
Marine Insurance Fund	1,598,955.50
	113,030,911.88
Uncalled Capital	10,008,698.22
	$123,039,610.10

CHANGE OF NAME
Effective May 1st, 1937, the name of the Company was changed to

Eagle Star Insurance Company
LIMITED

Head Office for Canada: 217 Bay Street, Toronto
J. H. RIDDEL, Manager for Canada
V. G. CREBER, Assistant Manager S. FAIRLEY, Secretary

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HEAD OFFICE WINNIPEG CANADA
INSURANCE ON THE LIFE OF
A Policy for Every Person and Every Purse

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Secure in the knowledge that his loved ones are well provided for through life insurance, the husband and father meets each day's task with a mind released from care. Especially so, as Great-West policies provide protection ideally adapted to their needs and his means. You can find in this company the exact policy you need—a policy for every person and for every purse. Get to know a Great-West man.

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3. Supply facts rather than opinions.

What We Don't Do:

1. Answer enquiries of non-subscribers.
2. Answer enquiries on foreign securities.
3. Reply by telephone or telegraph.
4. Select lists of securities; express opinions; or make forecasts.

Three-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed. Address letters to The Financial Post, 481 University Ave., Toronto.

Quinte & Trent Preferred

What is the outlook for the preferred shares of Quinte & Trent Valley Power Co.?

The outlook for the preferred shares of Quinte & Trent Valley Power is not very bright. The company has been in default on its bonds since 1930 and at the present time bondholders are in complete control of the company. Recently bondholders approved further postponement of interest until July 1, 1938 and appointed a committee to act for bondholders. The committee has wide powers, including authority covering operations and possible receivership or reorganization. The company has had an operating loss every year since 1932. In the event of reorganization preferred shareholders are not likely to receive more than a small part of their original investment.

Brazil Bonds

What appears to be the possibility for increased interest payments on the 6½% bonds of Brazil?

Negotiations for a new external debt scheme for Brazil to replace the present plan, which expires March 31, 1938, are expected to be initiated in the near future. At present there is no positive indication of what bondholders may expect, but it appears that they should at least receive extension of the 1937-38 rate of payment. Because of better coffee prices and increased cotton production Brazil has experienced sufficient economic improvement to warrant such an extension. Under the present plan payments in 1937 will be substantially higher than in 1936, amounting to $32.50 per $1,000 bond in the case of the 6½% bonds. These bonds are distinctly speculative, but, if an extension of the 1937-38 payment is secured, then the yield at present prices would be favorable.

Western Savings & Loan

Please send information on Western Savings & Loan Assoc. as an investment. What measure of government control is exercised over the company?

Western Savings & Loan Assoc., Winnipeg, sells savings certificates on the installment plan. The cash value of the certificates grows most rapidly during the latter years of the contract, so that it is important to maintain deposits throughout the contract period. The association appears to have followed a sound investment policy. Its investments do not include any Alberta bonds and, while it holds some mortgages in that province, careful selection and supervision have permitted a high ratio of collection. The association states that it does not hold any farm mortgages. Total assets at Dec. 31, 1936, were $1,139,682 compared with $1,022,732 at June 30, 1936. Government bonds made up over half total assets, being $629,898 at the end of 1936. First mortgage loans, after deducting reserves, totalled $414,040, and other assets included cash of $65,890, certificate loans of $29,653 and furniture and fixtures of $100. There was a surplus of $252,095 in favor of certificate holders at the end of 1936.

Western Savings & Loan Assoc. operates under the supervision of the municipal and public utility board of the province of Manitoba, which supervises the sale of the association's securities. Investment powers, defined in the act of the Manitoba legislature which incorporates the association, are restricted to bonds issued or guaranteed by the Dominion or provincial governments and municipalities and first mortgages. The association can also invest in the securities of a loan company whose investments are restricted to those permitted to the association itself.

Hamilton Bridge

I have preferred and common shares of Hamilton Bridge. What is the outlook for this investment?

The position and prospects of Hamilton Bridge Co. have improved very materially. In 1936, the company had earnings of $3.50 a share on the preferred stock, compared with deficits ranging as high as $8.89 a share in the preceding four years. This year, the company has a large volume of business on hand. It needs further substantial working capital before resuming dividends, and you may have to wait some time for a satisfactory settlement of arrears and for current payments. In view of the large volume of business on hand for the current year, however, further progress toward dividends seems likely.

Of course, there is no prospect of a dividend on the common as long as the preferred shares are in arrears but the common shares have reflected the improvement in the company's position.

Abitibi Bonds

I hold some Abitibi 5% bonds due 1953 and would like to know whether the defaulted interest coupons will be paid soon and whether I would be wise to continue holding the bonds?

Abitibi 5% bonds stand to receive full satisfaction for total claims of approximately $141 for each $100 face value of bonds. There is no prospect of the interest coupons being redeemed in the immediate future. If the company is reorganized under the various schemes now under consideration, it seems likely that the bondholders' claims for arrears of interest may be capitalized, and paid by issue of new securities. Depending upon the outcome of legal argument in the case, there is a slight possibility of some cash payment being made to prevent foreclosure, but that has not developed into an immediate possibility.

Preferred and common shareholders are going to make a strenuous effort to rescue substantial portions of the equity in the enterprise. They recognize, however,that the bonds must be satisfied in full for principal and interest, but perhaps not by immediate cash payment. In view of the prospective improvement in the company's situation, it appears that eventually Abitibi bondholders should get back most of their money. Whether you should sell your bonds depends, at present, largely upon whether you are in need of immediate investment income.

International Utilities

I am interested in the class B shares of International Utilities as a speculation. Can you give me some information as to the prospects for this stock?

Earnings of International Utilities showed improvement in 1936, net profit running to $759,728 compared with $494,349 in 1935. Full dividend requirements were earned on the three classes of preference stock and $2.43 a share on the class A stock. Annual dividend requirements on the class A stock are $3.50 a share. Working capital increased during the year by $500,000 to $4.8 millions. An adverse factor for the class B stock is the substantial dividend arrears on the $1.75 preferred and on class A stock. On March 1 of this year dividend arrears on the two issues of prior preferred stock were paid off and these prior issues are now on a regular dividend basis. However, there are arrears of dividends of $6.50 a share on the $1.75 preferred on which there are 95,708 shares outstanding. On the 12,406 shares of class A stock dividend arrears amount to $19.25 a share. Since all arrears will have to be liquidated before payment can be made on the class B stock there will have to be a very substantial increase in earnings before class B shareholders can hope for any return. A long period of rising earnings might make it possible for the company to liquidate these arrears.

Windsor Bonds

What is the present position of city of Windsor bonds?

A compromise agreement has been reached between bondholders and the city of Windsor for refinancing of that city's debt. Under the new arrangement the bonds of the old city of Windsor, East Windsor and Sandwich are to be exchanged for new 40-year bonds and the bonds of the town of Walkerville for 30-year bonds. The new Walkerville debentures are to bear interest at 4%, Windsor at 3¼%, East Windsor at 2% and Sandwich at 1½%. Details of the scheme are now nearly complete and it is expected that the Ontario Municipal Board will issue an order in the near future making the plan effective. It is not likely, however, that the new debentures will be ready until August. Payment on the arrears of interest will be made when the bonds are exchanged. Bondholders will receive a partial payment of interest arrears, the funds for which are on hand. In the case of the old city of Windsor bonds the payment on arrears of interest will amount to about $89 per $1,000 of 5% bonds and $106 on 6% bonds. This is on accrued interest to Dec. 31, 1935, when the plan is effective. For 1936 and 1937 interest will be paid at the new rate. Thus the total payment accruing to 5% bonds on June 30, 1937, will amount to approximately $107 and 6% bonds to approximately $125 per $1,000.

Union Gas Bonds

Do the first mortgage bonds of Union Gas Co. appear to be well secured?

Union Gas Co. has $4.5 millions of first mortgage bonds outstanding. Total assets of the company are shown at $23.6 millions. The company has always earned its bond interest by a good margin. In the year ended March 31, 1936 fixed charges were earned 1.6 times after depreciation and write-off. In the year ended March 31, 1937, operations showed a substantial improvement and it is estimated that net profit will be equivalent to about $1 a share compared with 55 cents a share in the previous year.

B. A. Oil

Do you think there are good possibilities of profits on an investment in British American Oil shares?

British American Oil stock is a comparatively stable type of equity investment, although it is obtaining very large earnings from its oil production in the United States. The dividend has been increased to $1 a share and the stock is, therefore, selling at prices to yield about 4.3%. Higher prices for the shares would appear to rest partly upon further increases in dividend, which may not develop until after the 1937 earnings are known. There is not much prospect of pronounced improvement in earnings in Canada, although gradual gains may be made by holding down costs as volume rises. However. on Canadian operations, the distributing oil companies have found the sales tax a heavy burden, and it is the earnings from crude oil production that have improved the British American Oil picture.

United Fuel Preferred

Can you outline the position of United Fuel Investments with particular reference to the company's preferred stock?

United Fuel Investments is a holding company and a subsidiary of Union Gas Co. of Canada. The company has outstanding $9 millions of 6% preferred stock on which dividend arrears are $36 a share. Reorganization to place capital structure on a sound basis and permit resumption of dividends on a basis commensurate with the company's earning power has been under consideration by directors for some time. Announcement of plans may be made with the annual report which will appear in July. In each of the years ended March 31, 1936, and 1935, earnings available for the preference stock were $2.37 a share. For the first seven months of the year ended March 31, 1937, consolidated earnings, after all charges except income tax, were $221,404, an increase of $181,221 over the corresponding period a year earlier. While no announcement has been made since the close of the fiscal year, it is understood that profits in the last five months were approximately the same as in the same period of the preceding fiscal year. On this basis net profit should be substantially above $4 a share on the preferred.

King Edward Prospects

What are the prospects for a reorganization of the King Edward Hotel and what terms are holders of 7% refunding mortgage bonds likely to get? Are the hotel's earnings improving?

Reorganization prospects for the King Edward Hotel, Toronto, appear to be growing dimmer. It is understood that negotiations leading toward a reorganization have been started by two or three groups but that little progress has been made.

The Metropolitan Life Insurance Co. of New York, which holds the first mortgage on the land and building, is not disposed to make any further concessions in the way of reducing the principal of its mortgage. The first mortgage originally was for $2,150,000 but interest arrears and advances for tax payments have brought this to about $3.1 millions.

One proposal which was presented to the Metropolitan Life would have reduced the total amount of the Metropolitan Life's claim to about $1¾ million and required them to assist in raising the funds needed to refurnish the hotel and make needed repairs. The Metropolitan Life, however, is understood to be unwilling to put up any more cash under the present circumstances.

May Take Over Equity

The present situation under which the Metropolitan Life is unwilling to supply any more cash for renovation of the hotel might conceivably lead to the insurance company taking over the equity of the 7% refunding mortgage bondholders in the furniture and goodwill of the hotel. In any case it does not appear likely that holders of refunding mortgage bonds can expect more than 25-30% of their principal in any reorganization which may take place.

Considerable improvement has taken place in operating results for the King Edward Hotel. For the four months ended April 30, 1937, a profit of $20,178 was realized, after taxes and rent paid to the Metropolitan Life. This compares with a loss of $6,548 for the corresponding period of 1936. The Metropolitan Life also receives one-half of the net profit and the remainder accrues for the benefit of 7% refunding mortgage bondholders.

Even if a substantial cash profit should be realized in 1937, refunding mortgage bondholders could not expect to receive any interest payment. The need for renovation of furnishings is great and any cash available would have to go for this purpose.

Suggestions for June Investment

OUR June booklet containing a diversified list of Dominion, Provincial, Municipal and Corporation securities is now ready for mailing.

We shall be glad to send you a copy on request.

Write or telephone WAverley 3681

DOMINION SECURITIES CORPORATION LIMITED
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15 King Street West, Toronto

St. Catherine-Stanley New Securities Ready

Holders of 6½% first mortgage bonds of St. Catherine-Stanley Realty Corp., Montreal, are notified that the recently approved reorganization is now in effect. They are accordingly asked to surrender their present bonds to Montreal Trust Co. and receive in exchange the new bonds to which they are entitled.

The new bonds will bear interest at the rate of 3% from Nov. 1, 1936, to April 30, 1942; 3½% thereafter to April 30, 1947; and 4% thereafter to maturity. Interest which became

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The Woman Investor

A woman investor holds $4,000 of preference stock of Nova Scotia Light & Power Co. and asks for suggestions whereby she can double her capital without accepting any additional risk. She also wants to know why her Nova Scotia Light stock has not given her an opportunity to make a greater profit.

She is receiving 6% regularly in dividends on this stock, giving her an income of $240 a year from her investment. The stock is listed on the Montreal Curb Market and current prices are around $103½ a share compared with the purchase price of $100 a share.

Briefly, the answer is that it cannot be done. It might be possible to find speculative investments that would double this capital, but she could not do that without accepting a greater risk than by holding her present investment.

Nova Scotia Light & Power Co. preference stock is callable at $105 a share at any time on 30 days' notice. It is now selling at $103½ on the Montreal Curb Market, only slightly below the call price. The call price of $105 a share definitely places an upper limit on the probable price range for this stock.

Nova Scotia Light refinanced its 5% first mortgage bonds early in 1937 with a 4% issue. The company would probably be able to redeem this 6% preference stock and replace it with an issue carrying a lower dividend rate if it were profitable to do so. For this reason investors will not be willing to pay more than $105 a share for the stock as above this price they run the risk of losing a portion of the purchase price in the event of redemption.

This woman investor already has a small profit on her stock and, if it were redeemed, she would realize a somewhat higher profit. The company has paid dividends regularly since 1928 and in 1936 earned the dividend over three times. So long as this dividend is maintained the stock will continue to sell at prices showing a direct relationship to present low interest rates.

The Independent Order of Foresters
Monthly Income During Disability

Certificate Plan B: Issued by the Society affords outstanding protection. It provides an Old Age Benefit, payable in one sum, for the full amount of the Certificate, on the 60th birthday, or, payment in the event of death.

In addition, the Certificate provides a generous Disability Benefit of Ten Dollars a month, for each $1,000 of Protection carried. Payments of such benefit are not a charge against the Certificate when it becomes a claim, either as a result of death or old age.

The Certificate contains the usual automatic non-forfeiture privileges. Double Indemnity may be secured for the payment of a nominal sum.

FRANK E. HAND, *Supreme Chief Ranger.*
HEAD OFFICE, TEMPLE BUILDING, TORONTO, CAN.

$1,143,727 *in Dividends*
PAID TO OUR POLICYHOLDERS IN 1936

Each year this "mutual" company distributes its surplus or profits to the policyholders in the form of dividends. Why not earn dividends on YOUR fire insurance in 1937?

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Toronto
Hamilton
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NORTHWESTERN MUTUAL FIRE ASSOCIATION
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GETS 7 MORE MILES PER GALLON WITH NEW DODGE

says **C. M. PELTON, Toronto Builder**

NEW DODGE SIX $776* And up. Delivered in WINDSOR, ONT. *Government Taxes, Freight and License extra* *Subject to change without notice.

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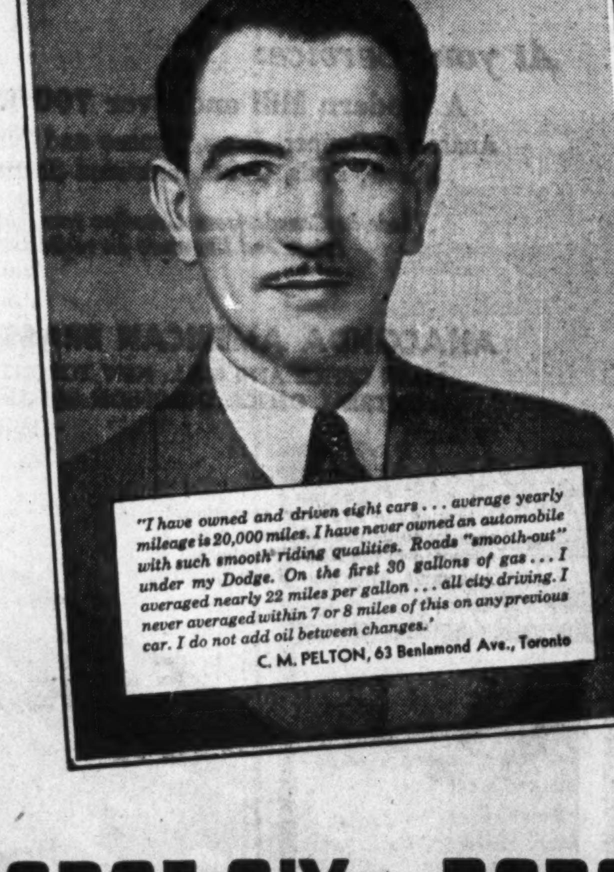

"I have owned and driven eight cars . . . average yearly mileage is 20,000 miles. I have never owned an automobile with such smooth riding qualities. Roads "smooth-out" under my Dodge. On the first 30 gallons of gas . . . I averaged nearly 22 miles per gallon . . . all city driving. I never averaged within 7 or 8 miles of this on any previous car. I do not add oil between changes.'
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Both City and Country Drivers Save Money right from the start when they *Switch to Dodge*

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Mr. Melvern F. Thomas, Toronto, writes of a southern trip he made—"We used 215 U.S. gallons of *standard* gasoline . . . an average 24 miles per Canadian gallon. I found the car entirely satisfactory under all conditions. Its performance added greatly to the pleasure of our trip."

And think of the wealth of extra-value features Dodge gives you . . . new "Silenced Ride!" . . . new "high-safety" interiors! . . . luxurious Chair-Height seats!...even stronger safety all-steel body! . . . *genuine* hydraulic brakes—the world's finest brakes! Be sure to see this great new Dodge—today! Ride in it! Drive it! Check it point for point, feature for feature, price for price, with any other car you might have been considering! Learn how you, too, can switch to Dodge and save money!

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Free autographed photograph of Major Edward Bowes on request. Write to Chrysler Corporation of Canada Limited (Dodge Division), Windsor, Ont.

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Construction

Unique Business Effort Returns H. I. P. Profits

Co-operative Scheme of Toronto Contractors Develops New Type of Enterprise — Revenues from "Trouble Shooting"

Originated as a co-operative experiment in Toronto last autumn, and proving so successful that it is likely to extend to other Canadian centres this year, is an entirely new type of business developed from operations of the Home Improvement Plan.

The idea of a group of Toronto contractors and building supply men, the Builders and Contractors Association is as yet little known outside the Toronto area, but since it was formed last November it has broadened the scope of its operations until it now acts as an information clearing house, employment agency for building trades workers, business brokers, financial agents, appraisers and as agents for both home owners and contractors in arranging H. I. P. repair contracts. From the initial step of locating new repair projects to the final loan financing, all phases of the H. I. P. are included in the organization's activities.

By advertisements and through canvassing residential areas of all types, the association first collected information regarding potential home repair projects. In its files are details and estimates of repair and improvement projects ranging from $50 to $2,000, including plumbing, heating, electrical and painting jobs; new verandahs, roofing, interior rehabilitation, additions and other types of work possible under the H. I. P.

Competitive Bidding

As this information is compiled, bids are asked by the association from a selected list of responsible contractors, of good credit standing, and employing skilled artisans. Bids ensure a competitive price to the home owner. He is under no obligation to accept any bid nor is he charged for the cost of estimating the probable cost of the repair or improvement project contemplated.

When a satisfactory bid is obtained, the association arranges a contract between the home owner and the contractor by which the latter undertakes to perform the work satisfactorily. It is at this stage that the self-supporting feature of the contractors' association enters into the situation. A fee is charged the contractor, varying with the amount of the contract, and included in the contract price, and from this revenue the association has, to date, been able to show a profit over expenses of advertising, canvassing, office expenses, and travelling costs.

"Trouble Shooters"

Equally important is the financing of contracts once the latter have been arranged to the satisfaction of contractor and home owner. Officials of the Builders and Contractors Association are in effect "trouble shooters" in this phase of H. I. P. operations, since in the capacity of agents for both home owner and contractor their task is to iron out any financing difficulties involved.

In more than a few cases, they report that individual loan applications refused by branch bank managers were subsequently granted under further investigation. H.I.P. loans are character loans, without security, and the bank making the loan has no recourse except civil action in the case of default. Bank managers necessarily make a close scrutiny of loan applications since the branch manager must not only size up the applicant as a good or bad credit risk, but if there is any possibility of default, he is primarily responsible in having initialled the original application. The situation is created where the bank manager's responsibility to his head office is constantly before him and, according to association officials, this has had a tendency in some cases to swing the balance of judgment against the loan applicant.

In an effort to overcome objections where loans are in doubt, the association submits these to senior bank officials for review. The objection may be that an applicant with an otherwise favorable record has failed to save money out of a steady income, but in such cases further enquiries may reveal legitimate reasons for the lack of savings and a loan may be granted. There is no effort to "step over the heads" of local branch managers, but rather to secure a secondary consideration which, if favorable, removes much of the responsibility from the shoulders of the individual branch official.

In cases where no objections are made to loan applications, or where earlier objections are overcome, the Builders and Contractors Association completes the loan transaction either by leaving the money on deposit in the borrower's account at the bank for payment to the contractor as the work proceeds, or by instructing the bank to pay the contractor in full on completion of the work. The owner signs a release to the contractor and the latter signs a waiver of any lien claims.

No Liability for Loan

Contrary to the impression in some quarters, there is no liability for H. I. P. loans arranged by individual contractors, or associations such as that formed in Toronto. Neither the contractor or the association of contractors is responsible for repayments by the home owner, and whether the loan is arranged through a co-operative organization or not, the responsibility remains with the home owner himself. The bank, in making the loan, assumes the risk.

Recently the Toronto association broadened its activities to include the mortgage field. Owners of residential or business properties on which modernization in excess of the $2,000 H. I. P. maximum is necessary, are approached by the association and first or second mortgages arranged. Competitive bids are sought from contractors as in the case of H. I. P. work, and details of the mortgage transaction arranged by the association or its legal representatives.

The profit motive exists in this new type of business which may become an important adjunct of the construction industry, and it has resulted in a substantial volume of new H. I. P. business where home owners were otherwise apathetic. Individual contractors are operating along much the same lines in other Canadian centres, but without a co-operative organization distributing contracts to all building trades.

Co-operative efforts to date have been largely of a type sponsored by public-spirited citizens acting on various local H. I. P. committees.

With a profit incentive, however, it is likely that adaptations of the successful Toronto experiment will be widely developed to meet local conditions in other areas.

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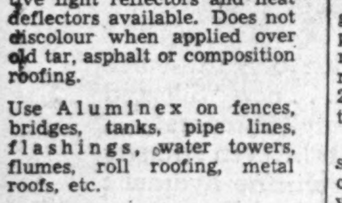

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Construction World

$4 Millions for Power

Water shortage and accompanying restriction of power services to the smelting and reduction plants of Consolidated Mining and Smelting Co. at Tadanac last winter, may necessitate expenditure of $4 millions on a fifth hydro-electric plant on the Kootenay river.

A reference to the situation contained in the annual report of Consolidated Smelters indicates that the power shortage has had adverse results in connection with services on several of the lines of the West Kootenay Power and Light Company, including the gold camps in the Sheep Creek area.

A plant site was chosen at Castlegar in the Kootenay river gorge at a point just above the place where the river spreads out into the Columbia river valley. The location is about 20 miles west of Milton and below the South Slocan plant.

The new plant will be somewhat similar to the Corra Linn plant which consists of three 18,000 horepower vertical units. Extensive surveys have been made of the river area during the last two years and it is understood that plans for the new plant are now being rushed to completion.

Windsor Arms Shows Net Profit of $2,417

Windsor Arms, Ltd., Toronto apartment hotel, had a profit of $2,147 after payment of bond interest and depreciation, in the year ended Jan. 31, 1937. The company paid dividends of $3.50 a share on its 7% preferred stock, being one-half the regular rate.

The company has been able to maintain full interest and sinking fund requirements on its 6½% first mortgage bond issue. All due taxes and accounts are stated to be paid and the building has been able to maintain a high level of rentals.

NEW DIRECTORS OF HANSON BROS.

D. Stewart Patterson, left, and Robert J. McCardell, right, have been elected directors of Hanson Bros. Inc., investment dealers. Mr. Patterson was with The Canadian Bank of Commerce for 10 years before joining Hanson Bros. in 1932. Mr. McCardell joined Hanson Bros. as a junior in 1914 and was appointed secretary-treasurer upon incorporation of the partnership in 1925.

Company Reports

T. T. C.

Operating results of the Toronto Transportation Commission in 1936 were the best in five years. Net income of the street railway system was again insufficient to meet all charges for interest, depreciation, and amortization. The sum withdrawn from reserves, however, was only $6,340, the smallest deficiency of any of the last five years. In 1935 the deficiency amounted to $122.282.

The commission's subsidiary, Gray Coach Lines, also showed satisfactory results for the year. The gross revenue of the company increased by nearly $50,000 or 5.7%. The net income of $292,295 available for reserves, dividends and surplus exceeded the income of any previous year except 1929 and 1930.

Net debenture debt of the commission at the end of 1936 was $25,158,790, a reduction of $1,492,378 from 1935.

Comparative consolidated income accounts for 1935 and 1936 are shown below:

Consol. Income Account
Years Ended Dec. 31

	1936 $	1935 $
Revenue:		
Passenger earnings:		
Railway & bus ...	9,344,878	9,248,891
Motor coach trans.	862,543	822,233
Interest received	149,438	152,665
Sundry revenue	293,237	293,007
Gross revenue	10,650,096	10,516,796
Less expenses:		
Electric current	1,000,944	978,414
Oper. expenses	5,356,996	5,300,264
Workmen's compen.	127,441	85,000
Bad debts w/o	3,018	4,280
Net earnings	4,161,697	4,148,837
Less Fixed Chgs. & Reserves:		
Bond interest	1,518,513	1,611,647
Sinking fund	1,441,172	1,387,918
Depreciation	1,183,595	1,136,538
Contingencies	10,000	5,000
Balance forward	8,418	7,735

Consolidated Press, Ltd.

A substantial increase in net profits is reported by Consolidated Press, Ltd., Toronto. For the year ended March 31, 1937, the balance available for class A shareholders was $1.49 a share compared with a deficit of 2.3 cents a share in the preceding year. A dividend of 25 cents a share was paid on May 1, 1937, the first since 1931.

Consol. Income and Surplus Account
Years Ended March 31

	1937 $	1936 $
Oper. profit*	*155,621	64,493
Inc. from invest.	11,740	13,134
Net earnings	167,361	77,627
Less: Depreciation ..	46,352	44,324
Debenture int.	30,993	32,033
Income tax	15,177	......
Loss on cap. assets .	320	2,462
Net profit	74,519	†1,192
Add: Prev. surplus ...	20,422	21,147
Less: Prem. on debs. red.	268	§467
Surplus forward	94,673	20,422

*After remuneration of executive officers and directors holding salaried employment of $33,315 in 1937. No directors' fees paid. †Loss. §Discount.

Working Capital

	1937 $	1936 $
Current assets	482,568	441,543
Current liabilities	93,957	81,950
Working capital*	388,611	359,593

*Investments taken at book value; taking investments at market value, working capital would be: 1937, $554,126; 1936, $578,226

Professional Offices

Net income sufficient to cover bond interest, before depreciation, was reported by Professional Offices Ltd., Toronto, in 1936, although net income was slightly lower than in 1935. The company has a total deficit of $71,346 but has been able to pay all current taxes and accounts.

On March 31, 1937, the company paid the bond interest which become due July 1, 1934, on its first mortgage bonds. Interest due Jan. 1, 1935, and later is in default.

Income and Deficit Account
Years Ended Dec 31

	1936 $	1935 $
Rental income	40,966	40,643
Less: Oper. exps.	25,351	24,987
Oper. income	15,615	15,656
Add: Sundry income .	165	390
Net income	15,780	16,046
Less: Depreciation ...	10,173	5,310
Bond interest	15,645	15,639
Interest charges	......	245
Trustee's fees	......	200
Loss for year	10,038	5,348

Working Capital

	1936 $	1935 $
Current assets	9,467	4,877
Current liabilities* ...	1,599	2,983
Working capital	7,868	1,894

*Does not include accrued and unpaid bond interest of $47,159 in 1936 and $39,519 in 1935

Standard Chemical Co.

Standard Chemical Co., Toronto, reports net profits equivalent to $1.63 a share for the year ended March 31, 1937, compared with 96½ cents a share in the preceding year. The profits were not quite sufficient to eliminate the accumulated deficit, and at the annual meeting on July 29 shareholders will be asked to approve reduction of the stated value of the common shares to wipe out the remaining deficit of $35,032.

M. L. Davies, president, attributes improvement in the company's activities to continue economic recovery. He reports total sales at $1,507.115, compared with $1,328,339 in the preceding year.

Improvement of $92,000 in working capital, the gain exceeding the profits for the year, reflects the charging of maintenance of expenditures against earnings. The practice allows depreciation charges to expand working capital.

Consolidated Income and Surplus Account
Years Ended March 31

	1937 $	1936 $
Sales	1,517,115	1,328,340
Operating profit	155,234	123,760
Less: Remun. to execs.	35,091	34,361
Legal fees	402	211
	119,741	89,188
Less: Amts. w/o rly. constr. & chgs. re reval. misc. equip.	29,986	29,224
Directors' fees	1,000	1,500
Net earnings	88,755	58,464
Less: Depreciation ...	17,500	17,500
Income tax res.	10,595	5,000
Net profit	60,660	35,964
Add: Previous deficit	95,692	131,656
Deficit forward	35,032	95,692

Working Capital

	1937 $	1936 $
Current assets	1,006,264	986,982
Current liabilities	144,529	217,231
Working capital	861,735	769,751

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Groundwood Pulp News Sulphite Pulp
High Grade Bleached Sulphite Pulp

To Start Work On C. I. L. Unit

Shawinigan Falls Caustic Soda Plant Will Cost $2 Millions

From Our Own Correspondent

MONTREAL. — Canadian Industries Ltd. plans to start work shortly on the construction of a new plant at Shawinigan Falls for the manufacture of caustic soda and chlorine.

Present intention is to bring the plant into operation about this time next year. It will be the third of the company's units manufacturing these two chemicals and when completed will give regular employment to about 60 men.

Depending upon the final plans, it is estimated the new plant will cost about $2 millions. Contract has been let to Fraser Brace Engineering Co. The buildings will be of brick and steel with cement foundations and will be mostly single story structures occupying a land area of about 16 acres, joining the company's "Cellophane" hydrogen peroxide trichlorethylene plant at the same point.

Meet Sulphite Demands

Officials of Canadian Industries Ltd. state that the new plant is being erected principally to meet demand for bleached sulphite pulp and rayon pulp, which market forecasts show to be in excess of the present capacity. The plant will serve Quebec and the Maritimes and has been located at Shawinigan Falls.

Sodium chloride or common salt, which apart from power is the only important raw material required for the electrolytic process, will be shipped by boat from the company's salt beds at Windsor to Three Rivers and from there will be freighted by rail or road to the plant.

Ellis Park Apartments Earning Bond Interest

Ellis Park Apartments, Toronto, had net revenue of $14,269 available for annual bond interest charges of $11,574 in the year ended Sept. 30, 1936.

Under the reorganization completed in 1936, all arrears of interest were cancelled and interest is now being paid at the rate of 4½% per annum on the $257,200 of first mortgage bonds outstanding. The former rate was 7%.

As at Sept. 30, 1936, current assets were shown at $7,838 and current liabilities were $3,092. Total assets of the company are $272,750.

Can. Int. Paper Plans Big Outlay

From Our Own Correspondent

MONTREAL.—Canadian International Paper Co. announces plans for the expenditure of $1 million on the Gatineau newsprint plant.

The outlay will be used to increase capacity of the Gatineau mill producing unbleached sulphite pulp used in the manufacture of newsprint and other papers.

200 St. Clair Ave. W. Ltd. Has Larger Loss in 1936

A loss of over $1,100 for 1936 is reported by Two Hundred St. Clair Avenue West, Ltd., Toronto, apartment building. This compares with a loss of about $500 in 1935. In each case this is reported after bond interest but before depreciation.

At the end of May, 1937, there were no vacant apartments in the building and the company has been able to pay all due taxes and accounts.

Bond interest has been paid regularly but only part of sinking fund requirements were met for 1933. No sinking fund payments have been made since. There are $152,000 of 7% first mortgage bonds, due July 1, 1945, outstanding.

400 Avenue Road, Ltd. Sinking Fund in Arrears

All due taxes and accounts are being paid by Four Hundred Avenue Road Ltd., Toronto apartment building. Sinking fund, however, on the company's $265,800 of 7% first mortgage bonds, due June 1, 1946, is in arrears since 1933.

Bond interest payments have been maintained regularly. As at April 14, 1937, there were two vacant apartments in the building but the company has been able to maintain near capacity rentals.

Metropolitan Building Estimated Revenue Up

On the basis of leases in force at March 1, 1937, gross revenue of Metropolitan Building, Toronto, was at the rate of approximately $202,000 annually, compared with actual revenues of $178,291 for the year ended July 15, 1936. Operating expenses are calculated at $108,000, before bond interest and depreciation, leaving a balance of $94,000 to meet interest and principal installments on the new bonds, according to a circular prepared by McLeod, Young, Weir & Co.

Maximum bond interest requirements in 1938 will be $35,000. By May 16, 1942, serial and sinking fund payments will reduce bond interest requirements to approximately $24,000 and by May 16, 1947, this will have become $12,500 per annum.

The company's balance sheet as at March. 15, 1937, giving effect to the new financing, shows current assets of $12,177 and current liabilities of $21,253. The building is 98% rented at present.

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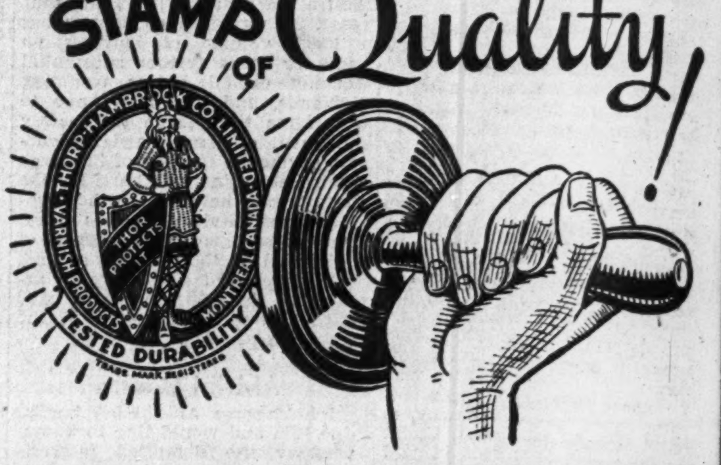

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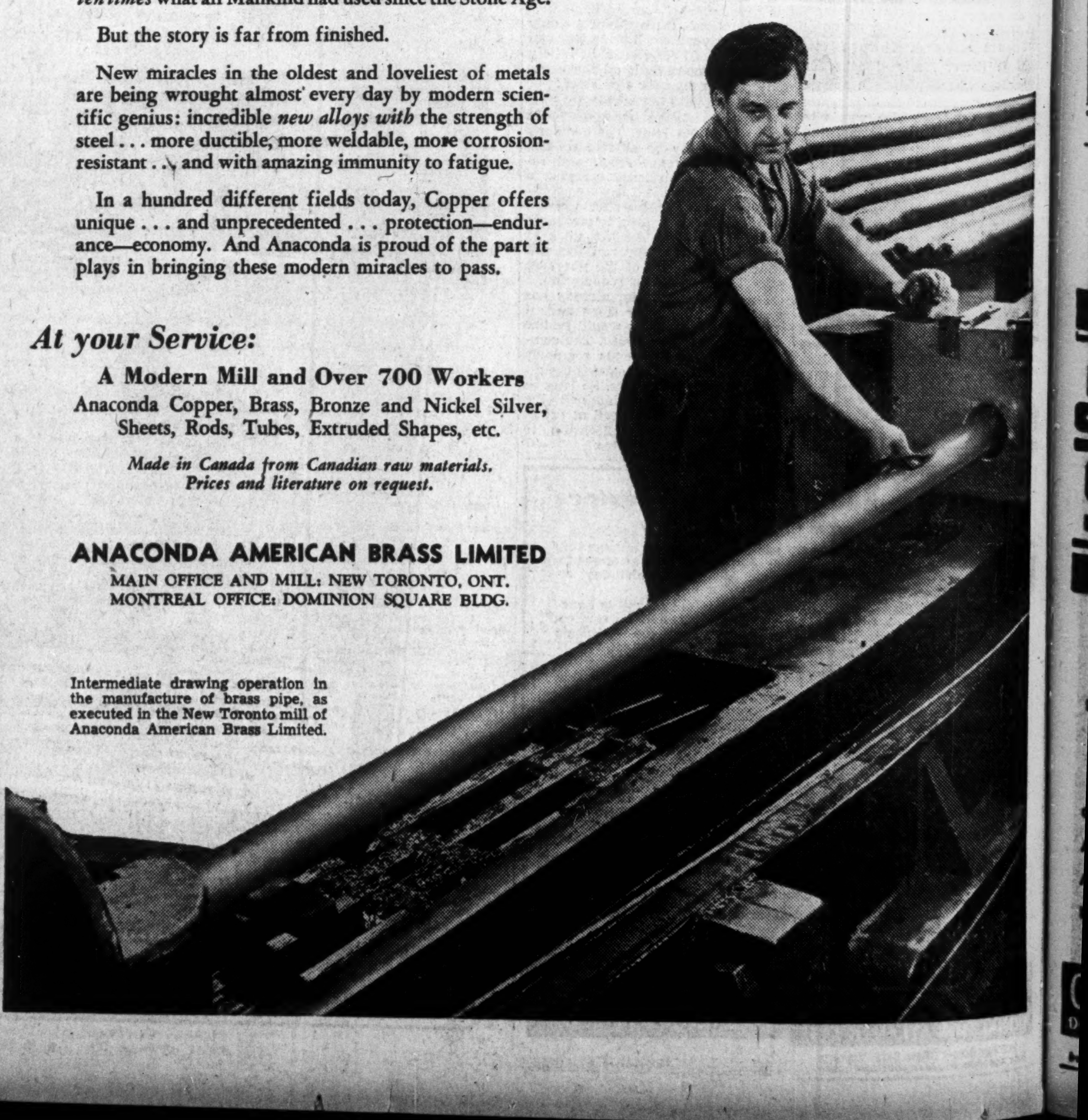


Intermediate drawing operation in the manufacture of brass pipe, as executed in the New Toronto mill of Anaconda American Brass Limited.

Banking

BankRecovery Is World Wide

Reflects Business Upturn States Bank for International Settlements

Recovery in business, almost world-wide in scope, has been reflected in a general improvement in liquidity and solvency of banking institutions, concludes the Bank for International Settlements in a survey of general trends in banking during the year ended Mar. 31, 1937.

There is now no longer the need for government authorities to lend a helping hand as was the case in so many countries during the depression. At that time, assistance was given not only in the form of direct financial aid, but also by establishing new institutions to substitute liquidity for frozen assets, by government guarantees for deposits and a variety of moratoria schemes. Now it is reported that many emergency measures either lapsed last year or became superfluous, whether legally abolished or not.

Note Circulation Rises

Another development which characterized the period under review was that, with the exception of a few countries, there was an increase in note circulation. In many instances, the increase amounts to 10% or more, compared with the previous year. The increase is traced, in a general way, to the higher cash requirements of both commercial enterprises and individuals, following an advance in sales and in wage payments. The bank states that even in countries where payments are commonly made by cheque a very substantial part of the national income—particularly the income of wage earners—is spent in the form of notes.

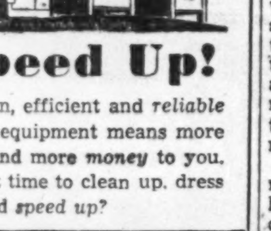
Above Depression Level

Note issues, generally speaking, did not decrease during the depression. The recent increases have thus carried total circulation in a number of countries to levels as much as 40% above those of 1929. In this respect, the bank's report states: "Some concern begins to be felt at the rise in the volume of notes in the hands of the public, especially when accompanied by a distinct advance in the cost of living. The possibility of checking what may be considered a dangerous increase in the volume of circulating media is a question dependent upon general monetary policy; in a period of increasing gold supplies and monetary reserves little restraining effect will as a rule be exercised by existing legal cover requirements."

Comparative figures of notes actually in the hands of the public in some of the countries showing largest percentage increase, are as follows. Amounts are shown in millions of national currencies:

Note Circulation

	1936	1935
Canada	191	170
Finland	1,630	1,381
Norway	429	348
Sweden	893	786
Great Britain	467	412
United States	6,543	5,882
Czechoslovakia	6,478	5,761
Germany	5,348	4,833
France	89,342	81,150
Argentine	1,302	1,178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Bank of Canada Weekly Statement

Balance Sheet	June 2 1937 $	May 26 1937 $
Liabilities		
Capital paid-up	10,100,000	10,100,000
Notes in circ.	131,715,743	130,639,518
Rest. fund	743,716	743,716
Dep.: Dominion	21,110,401	22,199,002
Banks	190,562,339	191,451,857
Other	901,024	1,106,966
Total deposits	212,573,764	214,757,825
All other liabs.	4,203,716	2,229,509
Total liabs.	359,336,939	358,460,568
Assets		
Reserve: Gold	187,366,120	187,307,501
Silver bullion	2,437,047	2,434,880
Res. in sterling and U. S.	17,560,702	14,972,585
Total reserve	207,363,869	204,714,966
Subsidiary coin	186,512	176,408
Investments:		
Dom. govt. short	44,299,084	47,135,459
Other Dom. govt.	103,238,175	100,981,142
Total invest.	147,537,259	148,116,600
Premises	500,067	459,316
All other assets	3,749,232	4,993,277
	359,336,939	358,460,568
Reserve ratio	60.22%	59.27%

Bank Chat

Home Loans

Bankers are viewing progress of the Home Improvement Loan project with varying opinions. Some are frankly disappointed at the showing to date, and point out that only one-twelfth of the objective of $50 millions has been reached. These are inclined to place a good share of the blame on the equipment people. In the United States, the outstanding success of the venture is ascribed largely to the energies of these concerns. Corresponding groups here, it is claimed, have been slow to act.

Other bankers feel that while the aggregate may not be as large as anticipated, things are going along very nicely at the moment. The rate of growth has been encouraging, particularly in recent weeks, it is contended and the scheme is finally beginning to show the benefits of organization.

* * *

Few Complaints

It is of interest that relatively few loans are being made on a contractor-owner basis. When the original plan was revised so that an applicant did not have to go to a bank in person, it was thought that this feature would be widely used. The intention, of course, was that the contractor would close the deal in one interview with the prospect, subsequently submitting the application to the bank. Actually, experience has shown that practically all improvement loans have been applied for by the borrower personally.

No figures are available on the percentage of applications approved. Bankers estimate, however, that it is unusually high. Perhaps it is on this account that complaints have been so few and far between. While the odd charge that the banks are too "careful" in making the loans has made its appearance, these have been very rare exceptions. Some centres have set up a committee of bankers for the sole purpose of considering complaints.

* * *

Money to Burn

Any story of a man throwing away more than a million dollars sounds like the wildest type of fiction. But an actual instance occurred last week. And to make a seemingly incredible story still less believable, the gentleman concerned fully expects to profit by his action.

The explanation lies in the age old law of supply and demand. E. H. R. Green, son of the famed Hetty Green who was once known as the world's richest woman, was left several collections of currency rarities, some duplicated. Rather than throw the duplicates on the market and so lower the value of those he retained, Green sent these duplicates to the United States' treasury for redemption.

In round figures the amount he received for them was $200,000. Had he been willing to accept the bids of collectors, he might have realized anything up to ten times that amount.

The Government's only course was to burn the bills which had been redeemed. Only one was saved from the flames, a $500 National Bank note dated 1864, which is so rare that even the treasury did not have a good specimen for its own collection.

Weekly Bank Clearings

	June 3 1937 $	Change Year Ago %	May 27 1937 $
Halifax	3,154,346	+ 7.2	2,109,385
Saint John	2,164,328	+ 0.9	1,579,103
Moncton	911,295	+18.7	673,000
Sherbrooke	735,837	+13.3	655,990
Quebec	6,352,686	+20.8	3,779,436
Montreal	127,554,281	+29.8	95,871,963
Ottawa	20,511,853	—39.9	14,277,738
Kingston	628,317	— 3.4	459,872
Peterborough	721,682	+ 3.7	547,983
Toronto	167,496,793	+ 6.5	91,129,947
Hamilton	5,775,788	+ 5.2	4,438,377
Kitchener	1,417,510	+13.4	965,541
Brantford	1,048,135	+ 3.2	828,957
London	3,177,144	—11.7	2,138,042
Chatham	560,218	+ 6.0	463,527
Sarnia	576,173	+22.3	398,173
Kingston	628,317	— 3.4	459,872
Windsor	3,606,618	+ 5.2	2,729,131
Sudbury	1,059,727	— 1.4	1,084,315
Fort William	936,451	—17.4	674,010
Winnipeg	52,674,754	—23.3	40,743,394
Brandon	369,992	—11.3	222,549
Regina	4,128,273	— 0.4	3,322,324
Moose Jaw	673,227	+ 4.2	572,504
Prince Albert	339,126	— 7.4	282,690
Edmonton	4,405,059	— 0.1	3,598,520
Medicine Hat	220,683	—21.6	167,680
Lethbridge	446,236	—14.5	379,367
Saskatoon	1,579,651	— 3.6	1,173,474
N. W'minster	762,875	+ 6.7	689,005
Vancouver	22,221,583	+15.4	16,274,676
Victoria	1,931,260	+ 1.4	1,438,199
Calgary	6,088,844	— 4.6	4,818,460

Burdened With Responsibilities

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Waterloo Mfg. Shows Deficit

Two Years Figures Show Adverse Position of Shareholders

Waterloo Manufacturing Co., farm implement firm, has finally issued reports for the years 1935 and 1936, showing an increase in the accumulated deficit to $1,075,000 and a deficiency in working capital. As the two years' reports have just been issued, it is necessary to make comparison with the statement for 1934 to appraise developments of the past two years.

The new reports show a nominal equity in fixed assets for the shareholders.

At Dec. 31, 1936, current assets were some $419,000 below the 1934 figure, due largely to reductions in accounts receivable and inventories. The chief current liability is the bank loan of some $1,206,000 against which the company has pledged $1 million of first mortgage bonds, its book debts and security on other assets under section 88 of the Bank Act. Other current liabilities consist of accounts payable and an unpaid subscription of $100,000 for shares of Sunshine Waterloo Co.

The auditors, Thorne, Mullholland, Howson & McPherson, report that A. T. Thom, president and general manager of the company, states that the reserves for possible losses on receivables "should be adequate." The auditors point out that no provision has been made for depreciation on fixed assets, other than automobiles, since Oct. 31, 1929. No provision has been made for loss on the investment in shares of Sunshine Waterloo Co. and no amount has been written off the deferred charge of $138,418, representing the cost of introductory sale of combines, which is carried as an asset.

In his comment to shareholders, Mr. Thom states that in 1935 and 1936 the continuation of drought and low prices for farm products in western Canada had a threefold effect on the company:

1. Fair sales orders in anticipation of better crops and prices, but the larger portions not delivered because of poor agricultural conditions.

2. Heavy expenses for repossession of machinery not paid for.

3. Higher farm prices in 1936 came too late from the sales standpoint, but helped collections.

As to the current outlook, Mr. Thom comments:

"With our repossession programme completed, and most of this equipment redistributed in more stable areas, we have entered into the new year with the expectation of improved results. Within the last few months we have made satisfactory arrangements with a long and well-established firm in the United States for the sale of their tractors and plows in Canada and which are meeting with most favorable reception . . . Our current sales to date reflect these improved conditions in substantial increases over recent years."

Consolidated Operating and Deficit Accounts
Years Ended Dec. 31

	1936 $	1935 $	1934 $
Operating loss for year	87,398	80,255	60,735
Add: Executive salaries	15,164	14,980	*
Legal fees	1,635	1,595	*
Additional provision for bad debts	21,171	100,000	35,000
Additional provision inventory obsolescence	......	49,141	......
Depreciation on automobiles	1,186	1,286	2,594
Deficit for year	126,554	247,257	98,329
Add: Previous deficit	948,774	701,517	603,188
Deficit forward	1,075,328	948,774	701,517
*Not segregated in 1934.			
Working Capital Position			
Current assets	1,207,595	1,335,026	1,626,391
Current liabilities	1,330,070	1,355,050	1,398,020
Deficiency of working capital	122,475	20,024	†228,371

†Surplus of current assets.

FOREIGN SUPERVISOR

A. K. Harvie, formerly manager at Halifax N.S., who has been appointed supervisor of the foreign department of the Canadian Bank of Commerce at head office.

June Dividend Payments Increase $6.3 Millions

Both dividend and bond interest payments by Canadian corporations will be higher in June, 1937, than they were in June, 1936, according to a tabulation prepared by The Financial Post.

Total dividend payments in June, 1937, are estimated at $67.6 millions against $61.3 millions in the corresponding month of 1936.

Bond interest payments of $35.6 millions are $1.7 million higher than in June, 1936.

Pickle Crow Gold Mines was the only company to increase payments in June. A number of companies, however, made initial payments in June including the following: Barker's Bread common, Canada Starch Co. common, Gachin Gold common, Melchers Distilleries preferred, Reinhardt Brewery common, Second Canadian International Investment preferred, Sullivan Consolidated Mines and Vulcan Oils.

Extra Payments

Extra dividends are being paid by Andian National, Electrolux, Hollinger Consolidated, Imperial Oil, International Petroleum, Lake Shore Gold Mines, Loblaw Groceterias and Royalite Oil.

Aluminium Ltd. is paying $3.75 on account of arrears on its preferred stock while Dominion and Anglo-Investment Corp. is paying $1.25 on its preferred arrears. Other arrears payments are being made by Canada Wire & Cable, $2 toward preferred arrears, and National Grocers which is paying $3.50 on preferred arrears.

Details of June dividend payments are given below:

Summary of June Payments

	1937 $	1936 $
Dividends	67,642,169	61,333,557
Bond interest	35,637,275	33,939,951
Total	103,279,444	95,273,508

Dividend Payments

Company:	Rate	Date	Amount $
Aluminium, pfd.	1.50q	1	187,569
Do., arrears	3.75	1	468,922
Andian National	1+1	1	5,100,000
Anglo Can. Tel., A	.12½	1	32,625
Anglo-Huronian	.20	1	260,512
Assoc. Breweries, c.	.20q	30	44,920
Bk. Can. Nationale	2q	1	140,000
Bank of Montreal	2q	1	720,000
Bank of Toronto	2.50q	1	150,000
Barkers Bread, c.	‡.08	1	1,760
Beattie Gold	.05	1	239,634
Biltmore Hats, pfd.	1.75q	15	3,665
Bright, T. G.	.07½q	15	7,500
Do., pref.	1.50q	15	11,733
Bulolo Gold	†1.50q	10	1,500,000
Canada Cement, pfd.	1	21	200,869
Can. & Dom. Sugar	.37½q	1	187,500
Canada Starch, c.	‡6	15	71,190
Canada Malting	.37½q	15	74,614
Canada Vinegars	.30q	1	27,600
Can. W. & Cable, pf.	*2	18	57,742
Can. Bk of Commerce	2q	1	600,000
Can. Celanese, pf.	1.75q	30	157,500
Can. Int. Inv. Tr., pf.	1.25	1	20,812
Can.-W. Nat. Gas, pf.	1.50q	1	52,500
Cent. Pat. Gold	.04	30	100,000
Celanese of Am., part pf.	3.50s	30	518,626
Cons. Div. Std. Sec., pf.	.37½s	15	13,462
Corr. Paper Box, pf.	1.75q	1	12,792
Crow's Nest Coal	3	1	186,378
Dom. & Ang. Inv., pf.	1.25q	1	16,875
Do., arrears	1.25	1	16,875
Dom. Envelope West., pf.	3.50	30	14,875
Dom. Scott. Inv., pf.	1.75	1	104,475
Electrolux	.40q	15	495,000
Do., extra	.10	15	123,750
Falconbridge N.	.07½q	30	250,303
Ford Motor, A, B	.25q	19	414,740
Gachin Gold	‡.30	30	7,220
Do., pref.	.17	30	2,727
Ham. Un. Theat., pf.	1.25q	30	9,848
Hollinger Cons.	.05	17	246,000
Do., extra	.05	17	246,000
Hudson Bay M.	.75	28	2,068,479
Imperial Oil	.25s	1	6,741,260
Do., extra	.37½	1	10,111,904
Imperial Tob., ord.	.10q	30	945,103
Int. Bronze, pf. part	.25	1	25,000
Inter. Mining	.15	21	60,007
Inter. Nickel, c.	.50q	30	7,292,012
Inter. Petroleum	.75s	1	10,743,066
Do., extra	.50	1	7,162,044
Do., pref.	.75s	1	150,000
Do., extra	.50	1	100,000
Kerr Lake Mines	.05	18	30,000
Kirkland Lake G.	†.03	1	159,800
Lake Shore Mines	1q	15	2,000,000
Do., extra	1	15	2,000,000
Lake of Woods Mill, pf.	1.75q	1	26,250
Laura Secord	.75q	1	43,125
Lava Cap M.	.03	30	71,732
Loblaw, A, B	.25q	1	202,089
Do., extra	.12½	1	101,044
Louisiana Land	.10q	15	300,000
McColl-Fron., c.	.10q	15	66,000
McIntyre-Porc.	.50q	1	399,000
McKenzie R. Lake	.04	15	116,000
McKinley Mines	.02½s	1	28,096
Melchers, pfd.	‡.30	30	37,500
Montreal Cottons	.50q	15	15,000
Do., pref.	1.75q	15	52,500
Montreal Loan	.50q	15	12,000
National Grocers, pf.	*3.50	1	103,362
New Meth. Ldry., pf.	1.62½	1	4,062
Nor. Can. Mining	†.02	1	50,000
N. S. Light & Pr., pf.	1.50q	1	30,000
Ogilvie Flour, pf.	1.75q	1	35,000
Pickle Crow	.10q	30	300,000
Placer Develop.	†.60	10	438,000
Provincial Bank	1.50q	1	60,000
Regent Knit., pf.	.40q	1	6,400
Reinhardt Brew.	‡.15	1	26,573
Reliance Grain, pfd.	1.62½q	15	32,500
Rolland Paper, pfd.	1.50q	1	22,500
Royal Bank	2q	1	700,000
Royalite Oil	.50s	1	348,773
Do., extra	.25	1	174,386
Rosedale Gold	.01	1	12,500
Sec. Can. Int. Inv., pfd.	‡.10	1	15,000
Siscoe Gold	.05q	15	230,503
Stuart, D. A., pfd.	.20q	1	9,000
Sullivan Cons. M.	‡.02½	15	100,000
Sylvanite Gold	.05	30	164,975
Toronto Elevators, pf.	‡.66	7	19,800
Union Gas	.15	15	105,928
Vulcan Oils	‡.05	15	18,494
Walker-G. & W.	.50q	15	361,086
Do., pref.	.25q	15	115,204
Total			67,642,169

q—Quarterly. s—Semi-annually.
*On arrears. †Interim. ‡Initial.

Bond Interest Due in June

	$
Corporation	11,093,275
Municipal	7,035,645
Provincial	6,357,476
Dominion	11,151,198
Total	35,637,594

Algoma Central Calls Bondholders' Meeting

Bondholders of Algoma Central Terminals Ltd. are being asked to consent to further postponement of bond interest.

A meeting of the holders of the 5% first mortgage debenture stock has been called for June 24, 1937, in London, Eng., to consider:

(a) the postponement of interest payable June 30, 1937, to Dec. 31, 1938, inclusive until June 30, 1939, or such later date as may be decided upon up to June 30, 1943.

(b) granting to the bondholders' committee the power to postpone the due date for payments of interest which become due Jan 30, 1939, to and including Dec. 31, 1941, until such date or dates as may be decided by the committee, providing the date is not later than June 30, 1942.

Holders of bearer bonds may vote in person or by proxy on producing the bonds or voting certificates.

Company Reports

Mountain View Apts.

Mountain View Apartments, Hamilton, shows a slightly smaller loss, after interest and depreciation, in the year ended Jan. 31, 1937, compared with the preceding year.

During the year $4,000 was paid off the first mortgage held by the London Life, reducing this liability to $138,500. Principal payments on this mortgage were in arrears $8,500 at Jan. 31, 1937.

Profit and Loss Account
Years Ended Jan. 31

	1937 $	1936 $
Rentals, etc.	34,912	34,219
Less: Oper. exps.	20,587	20,117
Oper. profit	14,325	14,101
Less: Depreciation	8,428	8,423
Mtge. interest	9,197	9,396
Deficit for year	3,300	3,717
Working Capital	1937 $	1936 $
Current assets	3,190	3,081
Current liabilities	25,207	26,143
Excess of current liabs. over current assets	22,017	23,062

Canadian Wallpaper

Canadian Wallpaper Manufacturers Ltd., Toronto, experienced a sharp reduction in profits in the year ended April 30, 1937. Earnings available for the class A and B shares were equivalent to 94 cents a share in the last fiscal year compared with $1.69 a share in the year ended April 30, 1936.

An annual dividend of $1 a share has been declared on both classes of stock payable July 6, 1936, to shareholders of record June 29. A dividend of $1.25 a share was paid from 1935-36 earnings.

An additional $56,000 of the company bonds was paid off, reducing the amount outstanding to $112,000.

Profit and Loss Account
Years Ended April 30

	1937 $	1936 $
Earns. of subsid. cos.	153,544	206,927
Mfg. & trading profit	57,619	52,995
Gross earnings	211,163	259,922
Less: Exec. sals. & legal fees	15,795	15,366
Office exps. & sals.	15,217	13,810
Bond interest	8,493	12,425
Plant & mach. w/o.	43,823	......
Deprec. on furn.	482	482
Prov. for subsid. loss	5,200	......
Net profit	122,103	217,839
Less: Dividends paid	161,557	161,557
Surplus for year	*39,454	56,282
Add: Prev. surplus	509,136	452,854
Surplus forward	469,682	509,136
*Loss.		
Working Capital	1937 $	1936 $
Current assets	1,305,898	1,613,369
Current liabilities	314,290	192,371
Working capital	991,608	1,420,998

Andian National Corp.

Andian National Corp., operating pipe lines in Colombia under contract with Tropical Oil Co., subsidiary of International Petroleum Co., reports earnings for 1936 equivalent to $2.99 a share compared with $2.72 a share in 1935.

Part of the increase in earnings per share is due to elimination of the former annual hold-back of a portion of profits as required by Colombia law, and although dividends of $4 a share resulted in another deduction from earned surplus in 1936, this was more than offset by return to earned surplus of the accumulation of $5.2 millions formerly treated as undistributable surplus.

The increase in operating earnings is due largely to movement of greater volume of crude oil produced by International Petroleum Co.

Balance sheet shows depreciation reserves of $21.5 millions against fixed assets of $25.1 millions. Working capital was decreased from $28 millions to $26 millions in 1936, reflecting dividend payments in excess of stated net earnings. However, it will be noted that in view of the large depreciation reserves the deduction of further depreciation from the year's earnings may be regarded as largely a nominal charge against profits.

Income and Surplus Account
Years Ended Dec. 31

	1936 $	1935 $
Net operating income	8,181,520	8,037,679
Add: Interest receiv.	1,198,203	1,069,409
Total income	9,379,723	9,107,088
Less: Salaries, fees	84,667	83,195
Pyt. to Colombian Govt. re transport.	128,690	123,004
Colombian taxes	794,576	693,680
Depreciation, etc.	747,748	607,183
Net profit	7,624,312	7,600,026
Less portion reserved	......	662,289
Available for divs.	7,624,312	6,937,737
Less: Dividends	10,200,000	10,200,000
Deficit for year	2,575,688	3,262,263
Credit: Prev. surplus	2,389,040	5,511,394
Tax adj't for 1934	......	339,909
Former undistributable surplus	5,197,400	......
Debit: Prior years' tax	287,133	......
Surplus forward	4,923,619	2,589,040
Working Capital Position		
Current assets	27,770,800	28,906,660
Current liabilities	1,804,972	873,918
Net working capital	25,965,828	28,032,742

Transportation Bldg.

As a result of improved general renting conditions in Montreal, gross revenue of Transportation Building Co. increased $2,420 in the year ended April 30, 1937, as compared with the preceding year.

Gross revenue during the current year is estimated by the company as sufficient to cover all expenses. The balance, however, is not expected to be sufficient to cover bond interest.

After deducting the balance of the bonds held by the company, outstanding first mortgage bonds remains at $589,700. Interest is due Nov. 1, 1932, and later is in default.

Income and Deficit Account
Years Ended April 30

	1937 $	1936 $
Oper. profit	6,913	1,092
Less: Directors' fees	460	405
Legal fees	381	163
Executive salaries	4,800	......
Accts. rec. res.	......	2,400
1st mtge. bond int.	41,279	41,279
Loss for year	40,007	47,685
Add: Prev. deficit	129,357	81,702
Deficit forward	169,364	129,337
Working Capital	1937 $	1936 $
Current assets	5,251	9,573
Current liabilities	6,826	14,919
Excess of current liabs. over current assets	1,575	5,346

Quebec Telephone

Quebec Telephone & Power Corp. reports a gross revenue in 1936 of $139,656, or about $2,000 less than the previous year. After providing for all charges, including depreciation and bond discount, there was a surplus for the year of $5,370, as against $1,936 in 1935.

The balance sheet shows an increase in working capital of over $19,000 to $81,606. During the year the funded debt was reduced from $400,000 to $391,000. The only other change of interest is a reduction of $53,000 in plant equipment. This represents in part the sale of the Megantic People's Telephone Co.

Income and Surplus Account
Years Ended Dec. 31

	1936 $	1935 $
Operating revenues	137,161	138,610
Other revenues	2,495	2,950
Gross revenue	139,656	141,560
Operating expenses	78,128	83,639
Net revenue	61,528	57,921
Bond interest	19,706	19,044
Other interest	11	1,318
Depreciation	33,099	32,281
Bond discount	3,342	3,342
Surplus	5,370	1,936
Previous surplus	13,737	34,335
Less: Adjustments	30,433	22,534
Surplus forward	*11,326	13,737
*Deficit.		
Working Capital	1936 $	1935 $
Current assets	96,272	79,868
Current liabilities	14,666	17,374
	81,606	62,494

Canada Northern Power Industrial Rate Continued

From Our Own Correspondent

MONTREAL.—Reports that Canada Northern Power Corp. would put a rate reduction into effect on July 1 for industrial power users, is not confirmed by the company.

Late last year the company announced a reduction of $2 per h.p. to industrial consumers, effective as from the beginning of 1937. It was said at that time and since repeated by the management, that if the demand warrants further reductions will be made. So far the new rate has been in effect four months, so that it is unlikely consideration will be given to another rate cut until later on in the year, at which time the results of the recent cut will be known.

Staff Changes

The Royal Bank has announced the following changes in staff:

T. D. HOLLOWAY to be manager at Asquith, Sask.

W. H. WALKER, formerly at Asquith, to be manager at Elrose, Sask.

J. HOWAT, formerly with the supervisor's department, Vancouver, to be manager at Kingsway branch, Vancouver.

R. M. A. ROS, formerly manager at Ciego de Avila, to be manager at Santiago de Cuba, Cuba.

J. G. D. PULLES, of Santiago, de Cuba branch, has retired on pension.

The Dominion Bank has made the following appointments:

J. W. MIZE, formerly manager at Leamington, to be manager at Cobourg.

J. W. R. RODDICK to be manager at Leamington.

E. G. ELLIOTT, formerly manager at MacGregor, to be manager at Banff, Alta.

W. F. W. VAN BUSKIRK, formerly accountant at Lethbridge, Alta., to be manager at Lake Louise, Alta.

R. A. STONE, formerly accountant at Trail, to be manager at Bralorne, B.C.

W. A. HUTCHINGS, formerly manager at Bralorne, to be manager at Dawson City.

The Bank of Toronto has made the following appointments:

H. R. CHAPIN, formerly manager at Colonsay, Sask., to be manager at Gravelbourg, Sask.

R. H. HUTCHINGS, formerly of head office staff, to be manager at Danforth and Dewhurst, Toronto.

A. M. ROSS, formerly manager at Danforth and Dewhurst, Toronto, to head office inspection staff.

J. A. MACDONNELL, formerly of head office staff, to be manager at Mount Pleasant and Belsize Drive, Toronto.

The Bank of Montreal has announced staff changes as follows:

R. DALL, formerly at Montreal, to be manager of the securities department at Montreal branch.

Monthly Bank Clearings

	May, 1936	May, 1937
Halifax	$ 10,035,834	$ 10,706,937
Saint John	7,742,637	9,060,050
Moncton	3,020,806	3,416,151
Sherbrooke	2,585,507	3,109,148
Quebec	18,219,768	23,036,850
Montreal	440,365,457	468,983,750
Ottawa	133,415,677	148,580,199
Peterborough	2,630,902	2,746,409
Toronto	566,532,068	503,909,580
Hamilton	19,007,870	23,025,439
Kitchener	4,641,387	5,141,594
Brantford	4,031,890	4,351,287
London	12,429,516	11,700,876
Chatham	2,049,640	2,340,531
Sudbury	3,955,913	4,227,147
Fort William	4,447,093	3,246,958
Winnipeg	261,122,157	191,254,192
Brandon	1,253,714	1,213,510
Regina	18,146,962	17,769,714
Moose Jaw	2,396,340	2,830,848
Saskatoon	6,159,537	6,236,184
Edmonton	16,199,247	17,345,203
Medicine Hat	1,000,249	939,580
Lethbridge	1,863,984	1,826,808

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ADEQUATE SECURITY— COME WHAT MAY

Condensed Extract from 101st Annual Report
(Sterling computed at $5 per £)

Total Assets	$123,347,094
Reserves for Unadjusted Claims & Unearned Premiums	14,253,224
Marine Fund	5,301,983
Life, Annuity & Endowment Funds	65,279,313
Surplus to Policyholders	20,263,094
Uncalled Capital (Addtl. security to Policyholders)	18,074,745
Total Premium Income in Canada, 1936	1,093,589
Loss experience in Canada, 1936	39.88%

THE NORTHERN ASSURANCE COMPANY LIMITED
Head Office for Canada: Montreal
A. HURRY, Manager

Branch Offices:
WINNIPEG R. O. Taylor, Manager
VANCOUVER W. G. Gerrard, Manager
TORONTO—Ontario Service Office F. O. Lucas, Superintendent

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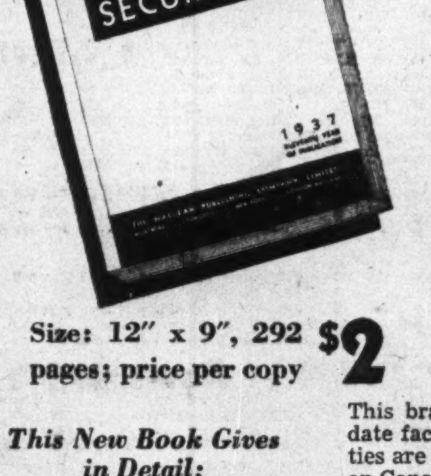

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STOCK AND BOND MARKET QUOTATIONS

Montreal, Toronto, Curb

The following table is confined to official prices for listed stocks. Where no recent transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING JUNE 7

Range 1937 High	Low	Div Rate $	June 5 Y'ld %		Sales	Last May 31	Week end. June 7 H	L	Cl'se
				A					
15¼	5¾	.	...	Abitibi	9371	6¼	7¼	6¾	7¼
80	41¼	.	...	Do. pref. 6%	2181	62	65	61¾	63¼
97	60	.	...	Do. pref. 7%	....	(— bid — asked)			
79¼	41	.	...	Do. cert. dep.	65	65	62½	62	62½
6¾	4¼	10c	...	Acadia Sugar	....	(3¼ bid 4¼ asked)			
18¼	9¼	50c	5.3	Acme Glove	....	(9¼ bid 12¼ asked)			
94	75	6.50	8.7	Do. pref.	....	(— bid 92 asked)			
12	8¼	40c	4.1	Agnew Surp.	....	(9¾ bid 10 asked)			
110	105	7	6.5	Do. pref.	55	105	107	107	107
7	4¼	.	...	Alta. Pac. Gr.	20	4¾	20	4¾	4¾
43¼	27¼	.	...	Do. pref.	130	29	29	28	28
135	114	.	...	Aluminum	....	(108 bid 111 asked)			
130	130	6+3.75▲	.	Do. pref.	....	(130 Mar. 19)			
7	5	.	...	Amal. Electric	....	(— bid 5 asked)			
31	26	.	...	Do. pref.	....	(27 bid — asked)			
35¾	29¾	15c	...	Amer. Cyn. B.	450	31¼	31¾	31	31¾
122¼	80	.	...	Asbestos	1832	91	90	83¾	85¼
3.20	1.15	.	...	Do. Rights	15700	1.95	2.00	1.15	1.20
16	11	80c	5.7	Assoc. Brew.	96	14¼	14¼	14	14
110¼	106	7	6.4	Do. pref.	....	(109¾ bid — asked)			
6¼	6¼	.	...	Assoc. T. & T.A.	....	(— bid 8 asked)			
57	51	42c	...	Do. pref.	....	(— bid 55 asked)			
102¼	100	5.50	5.5	Ault & Wiborg pf.	....	(— bid 101¼ asked)			
				B					
60	57	2.25	3.7	Bank of Canada	254	58	60	57½	60
160	143	8	5	Bk. Can. Nat.	45	159	159¼	150¼	159
245	219	8	3.4	Bk. Montreal	51	235	237	233	237
340	305	12	3.6	Bk. N. Scotia	81	325	330	326	326¼
273	246	10	4	Bk. Toronto	40	255	257	250	257
8	6	.	...	Barcelona	....	(5 bid 7¼ asked)			
15	10¼	8c	...	Barker's Bread	125	14¼	15	14¼	15
48	48	.	...	Do. pref.	....	(43¼ bid 48 asked)			
24¾	17	.	...	Bathurst Pr.	2770	18¼	19¼	18	19
12¼	6¾	.	...	Do. (B)	273	9	9¾	8¼	9
5¾	3	.	...	Bawlf Grain	5	3	3	3	3
38	25	.	...	Do. pref.	10	29	27	27	27
10	4¾	.	...	Beath & Sons	....	(4¾ bid 5 asked)			
21¼	14¾	.	...	Beatty Bros. A.	....	(16¼ bid 17¼ asked)			
112	100	6	5.4	Do. pref.	10	107¼	110	110	110
105	102	7	6.7	Do. 2nd pref.	....	102¼ bid 108 asked			
10	5	.	...	Beauharnois	859	6¾	6¾	5	6
107	100	4	4	Belding Cort.	....	(— bid 105 asked)			
130	126	7	5.4	Do. pref.	....	(130 bid — asked)			
178	154	8	4.8	Bell Telephone	1571	167¼	167¾	166¼	167¼
16¾	10¼	2+50c	..	Biltmore Hats	5	10¼	12	12	12
110	109¼	7	6.4	Do. pref.	25	109¼	110	110	110
13	8¼	.	...	Bissell, T. E.	....	(7 bid 15 asked)			
65	45	.	...	Do. pref.	5	55	60	60	60
6¾	4	.	...	Blue Ribbon	41	4¼	4	4	4
40	35	2	5.3	Do. pref.	35	36	37½	37	37½
29¾	24¾	65c	...	Brant. Cord. pf.	....	(25¼ bid 25½ asked)			
30¼	18	90c	...	Brazilian Tr.	19623	23¼	25	23¼	24¼
9¼	6	1.40+10c	.	Brew. & Distil	13	7¼	8	6¼	8
6¼	6	30c	...	Bright, T. G.	....	(6¼ bid 11 asked)			
†82	75¼	6	...	Do. pref.	....	(74 bid — asked)			
26¼	21¾	1+20c	5.2	Brit. Amer. Oil	2653	22¼	23	22¼	23
22	16		...	B. C. Packers	35	19	19¼	18¾	19¼
39¼	35	1.80	5	B. C. Power A.	240	37	36¾	35	36¾
11¼	7¼	.	...	Do. (B)	26	7¾	8	7¾	7¾
12	6	40c	6.2	Bruck S. Mills	70	6¼	6¼	6	6
74¼	56¼	1.40+50c.		Building Prod.	70	62	62	60	60
18	15	70c	...	Burlington Steel	50	15	17	17	17
8	5	25c	...	Burry Biscuit	165	5¼	6¼	6	6
60	50	3	6	Do. pref.	....	(45 bid 50 asked)			
44¼	39¼	2	4.8	Burt, F. N.	180	40	42	40	42
				C					
105	100	.	...	Calgary Power	10	100	100	100	100
92	79	6	6.7	Do. pref.	....	(89 bid — asked)			
10¼	6¼	.	...	Canada Bread	170	7	7¼	7	7
103¼	99¾	5	4.9	Do. pref.	10	101	102	102	102
59¼	50	2.50+12½c▲		Do. pref. B	55	53	53	52¼	53
10¼	8¼	.	...	Canada Bud	420	8¼	8¼	8¼	8¼
23	15¼	.	...	Canada Cement	676	17	17¼	16¼	16¾
111	100	2	...	Do. pref.	125	103¼	104	102¼	103
73¼	60	1.50+1	3.6	C. & D. Sugar	5	69	70	70	70
b38¼	25¼	.	...	Canada Dry	6700	27¼	29¾	26¾	28¾
20¾	16	.	...	Can. Forg. (A)	75	17¼	18	17¼	17¼
18	14	.	...	Do. (B)	....	(16 bid 18 asked)			
31	30	.	...	Can. Iron	....	(34 bid — asked)			
72	66¼	5	7.2	Do. pref.	....	(74 bid — asked)			
39	34	1.50+50	5	Can. Malting	670	37¼	38	37¼	37¾
29¼	20	1.20	5.5	Can. Nor. Pr.	311	22¼	23	22	22
112	108	7	6.4	Do. pref.	89	111	112	109	110
98	84	3	3.5	Can. Packers	....	(84 bid 88 asked)			
†118	105	.	...	Can. Paper, pf.	....	(112¼ bid — asked)			
7	1¾	.	...	Can. Paving, pf.	....	(2¼ bid 2¾ asked)			
160	146	8	5.2	Can. Perman.	2	155	155	154	154
25	25	6	...	Can. Starch	....	(30 bid — asked)			
105	105	7	6.7	Do. pref.	....	(105 bid — asked)			
4	2¼	.	...	Can. Steamsh's	620	2¼	4	2¼	2¼
7	4	.	...	Do. new	120	5	5	4	4
10	4¾	.	...	Do. pref.	365	6¼	5¼	4¾	5
18¼	14¼	.	...	Do. pref. new	50	15¼	15	14¾	14¾
21	17	1.20	6.6	Can. Vinegars	145	18¼	18	18	18
75	50	.	...	Can. W. Cable	1	72	60	60	60
31	19	.	...	Do. (B)	80	25¼	27	25	27
118	114	2▲	...	Do. pref.	....	(— bid 121 asked)			
6¼	4	.	...	Can. Bakeries	....	(4 bid 7 asked)			
73	58	.	...	Do. pref.	....	(— bid 57 asked)			
211	183	8	4	Can. Bk. Com.	185	198	199	197	198¼
4	2¾	.	...	Can. Breweries	1339	2¾	3	2¾	2¾
20¾	14¼	1.50	...	Do. pref.	484	18¾	18¾	18¼	18¼
61¼	46¾	1.50+75c.		Can. Bronze	180	49	50	49	49
110	104	5	4.6	Do. pref.	....	(108 bid — asked)			
9¼	7¼	.	...	Can. Canners	15	8¼	8¼	8¼	8¼
20¼	18¼	1	5	Do. 1st pfd.	25	19¼	20	20	20
12¼	10	15c	...	Do. 2nd pfd.	942	11¾	11¼	11¼	11¼
21¾	13¼	.	...	Can. Car. & F'y	2460	15¼	17¼	15¼	17¼
32	23	.	...	Do. pref.	970	25¼	28	25¼	28
31	24	1.60	6.4	Can. Celanese	550	24¾	24¾	24¼	24¾
138	121	7	5.8	Do. pref.	20	121	121¼	121¼	121¼
22	21	.	...	Do. rights	600	22	22	21	21
32	27	2	7.4	Can. Convert.	....	(— bid 29¼ asked)			
80	65¼	4	5	Can. Cottons	....	(81¼ bid — asked)			
108	105	6	5.6	Do. pref.	10	108	108	108	108
47	38	2+1	6.8	Can. Dredge	227	45	45	42¼	45
101	101	6	5.9	Can. Fairb. p.	....	(101¼ bid — asked)			
33	23	1.60+40c		Can. For. Inv.	90	25	25	24¼	25
107	105	8	7.6	Do. pref.	....	(105 bid — asked)			
240	207	6	2.9	Can. Gen. Elec.	....	203¼ bid 207 asked			
12	9¾	50c	...	Can. G. Inv.	200	10¼	10¼	10	10¼
81¼	71	.	...	Can. Hyd. E. p.	851	79	81	79	81
8¼	4¼	.	...	Can. Ind. Alc.	2800	5¼	5¼	5¼	5¼
7¾	4¼	.	...	Do. (B)	350	4¾	4¼	4¼	4¾
249	235	3.50	...	Can. Indust. B.	....	(— bid 255 asked)			
160	153	7	...	Do. pref.	....	(160 Apr. 13)			
5	2	.	...	Can. Int. I. Tr.	85	3	3	2	3
99	92	3.75	...	Do. pref.	50	97	95	95	95
21	19	1	5	Can. Lt. & Pr.	....	(— bid 20 asked)			
23¼	12	.	...	Can. Locomo.	290	13¼	14¼	13¼	14¼
3¾	1¼	.	...	Can. Marconi	2100	1¾	1¾	1¼	1¾
19	11	50c	4.1	Can. Oil	290	11	12¼	11	12¼
135	115	8	6.9	Do. pref.	25	118	118	116	118
17¼	12	.	...	Can. Pacific	4683	13	13¾	12¾	13¼
7¼	3	.	...	C. Pr. & Pa. In.	67	3	3	3	3
27¼	18	.	...	Do. pref.	30	18¼	19	18¼	19
16	7¼	.	...	Can. Vickers	150	9	9	8	9
65	41	.	...	Do. pref.	61	42	43	43	43
25	25	1	...	C. Wallpaper, A	....	(— bid 25 asked)			
27¼	24	1	...	Do. (B)	....	(— bid 25 asked)			
66	66	2	3	Can. West'ho'se	150	..	66	66	66
4	1¾	.	...	Can. Wineries	25	1¾	2	2	2
25	22	1.50	...	Can. Wire Box	102	23	23	23	23
9¼	7¼	.	...	Capital Estates	317	7¼	7¾	7¼	7¼
107	100	5	5	Carnation, pfd.	....	100¾ bid 102 asked			
11¼	6¾	25c	...	Catelli Food	....	(8 bid 9 asked)			
11¼	10	38c	...	Do. pref.	....	(— bid 11¼ asked)			
3	1¼	.	...	Celtic Knit.	....	(1¾ bid — asked)			
†165	150	8	...	Cent. Can. L'n.	....	160¼ bid 195 asked			
1.44	.75	.	...	Chem. Research	1350	.85	.90	.85	.85
2.50	.70	.	...	City Gas & El.	....	(.70 bid — asked)			
.80	.35	.	...	Claude Neon	1000	.40	.40	.40	.40
14¼	12¼	1.08	8.1	Coast Brew.	190	13¼	13¼	13¼	13¼
22¼	14¼	.	...	Cockshutt Plow	1185	16¾	17¾	16¼	17¾
4	1¾	.	...	Comm. Alcohol.	585	2	2	1¾	2
4¾	3¼	.	...	Do. pref.	....	(4 bid 4¼ asked)			
23	20	$1+20c.	.	Cons. Bakeries	695	21	21	20¼	20¾
24¼	10¾	.	...	Cons. Paper	22682	17¼	19¼	17¼	18¾
22	12¼	25c	...	Cons. Press	175	18	22	19	22
60	47	.	...	Cons. Sand, pf.	....	(47 bid 65 asked)			
100¼	72	1+1	..	Cons. Smelters	4118	75¼	80¼	76¼	80
211	201	10	4.9	Consumers' Gas	71	204¾	204¾	204	204¼
95¼	89	7	7.4	Corr. P. Box, p.	5	94	95	95	95
27¼	22	1	4.5	Cosmos Imp.	....	(23¼ bid 24¾ asked)			
105¼	104¼	5	4.8	Do. pref.	....	(103¼ bid — asked)			
23	18	80c	...	Crown Cork	10	19¼	19¼	19¼	19¼
2¼	1¼	.	...	Crown Dom. Oil	....	(2 bid — asked)			
50	40	3	...	Crow's N. Coal	1	45	40	40	40
				D					
5¾	4	.	...	David & Fre. A	....	(3¼ bid 5 asked)			
†1¼	¼	.	...	Do. (B)	....	(— bid 1¼ asked)			
22¼	15	.	...	De Havilland	100	16	18	17	18
82	67	.	...	Do. pref.	....	(65 bid 80 asked)			
10	5	.	...	Disher Steel	....	(5 bid 9 asked)			
18¾	15¼	.	...	Do. pref.	....	(11 bid 18 asked)			
29	20	.	...	Distill.-Seagram.	1425	20¼	21¼	20¼	21¼
94¼	92¼	5	5.4	Do. pref.	....	(— bid 99¼ asked)			
..	..	.	...	Dom. Ang. Inv.	....	(90 bid — asked)			
95	95	5+1.25▲	.	Do. pref.	....	(90 bid — asked)			
230	225	10	4.3	Dom. Bank	124	227¼	230	227	230
58¾	47	1.20	2.4	Dom. Bridge	1050	49¼	49¼	47¾	48¼
24	19	1.50	7.2	Dom. Coal, pf.	305	20	20¾	20¼	20¼
73	59	.	...	Dom. Engineer	100	60	60	60	60
37	29	.	...	Dom. Foundries	1612	30¼	37¼	30¼	37¼
99	99	.	...	Do. pref.	....	(— bid — asked)			
118	110	5	4.5	Dom. Glass	50	112	112	110	112
153	140	7	5	Do. pref.	70	145	140	140	140
.10	.10	.	.	Dom. Motors	....	(— bid .10 asked)			
43¼	40	.	...	Dom. Oilcloth	125	40	40	40	40
105	103	7	6.7	Dom. Rubber, p.	....	(99 bid — asked)			
5	4	.	...	Dom. Scot. Inv.	20	4	4	4	4
44	39	1	...	Do. pref.	25	41¼	40¾	39	39
28¾	12¼	.	...	Dom. St. & C.B.	4967	18	19¼	18	19
12¾	9¾	.	...	Dom. Stores	230	9¾	9¾	9¾	9¾
18¼	12¾	.	...	Dom. Tar & Ch.	845	13¼	14	13	13¾
117	107	.	...	Do. pref.	5	108	110	110	110
88¼	72	5	6.2	Dom. Textile	556	79¾	80	78	80
149	142	7	4.9	Do. pref.	5	145	143¼	143¼	143¼
19¼	13¼	.	...	Donnacona P.A.	7891	15¼	17¾	15	16¾
19	13¼	.	...	Do. (B)	2060	15¾	17	14¾	16¼
20	13¼	.	...	Dryden Paper	820	17	18	17	18
				E					
7	2	.	...	East. Koot. Pr.	10	2	2	2	2
6	12	.	...	Do. pref.	5	12½	12	12	12
	¼	.	...	[illegible]	10	2¼	2¼	2¼	2¼
20	10	.	...	Do. pref.	17	14	10	10	10
24	18¼	.	...	East. Steel	165	19	18½	18½	18½
110	106	7	6.4	Do. pref.	....	(107 bid 120 asked)			
60	60	7	11.7	East. Theat. pf.	....	(60 bid 84 asked)			
9¼	4¾		...	Easy Washing	100	6	6	6	6
39	34	1.37½	...	Economic Inv.	....	(35 bid 39 asked)			
24	17¼	1.60+10c.		Electrolux	598	18¼	18¾	17¼	18¾
8¼	4¼	.	...	Enam. & Heat.	5	5	4¾	4¾	4¾
37	30	.	...	English Electric	80	31	33	31¼	33
16¾	10¼	.	...	Do. (B)	15	11	10¼	10	10
7	5¼	.	...	Equitable Life	....	(5¼ bid 6 asked)			
10¼	9¼	.	...	European El. A.	....	(— bid 9¼ asked)			
.65	.65	.	...	Do Warrants	....	(.35 bid — asked)			
				F					
13	8¼	.	...	Fairchild Air	910	8¾	9¾	8¼	9¼
35	34	.	...	Fam. Players	....	(22 bid — asked)			
34	29	.	...	Do. Vot. Tr.	....	(— bid 35 asked)			
24¼	19	25c	...	Fanny Farmer	2065	20	21	19¼	20¾
29¾	22¼	1	4.3	Ford Motors A.	1478	23	23¾	22¾	23
2¼	1	.	...	For. Pr. Secs.	10	1¼	1	1	1
31	23	.	...	Foundation Co.	1265	25¾	27¼	25¼	27¼
50	29	.	...	Fraser Cos.	976	42	47¼	44	46
50	29¼	.	...	Do. Vot. Tr.	8783	42¼	48	45	46¼
52	45	.	...	Freiman, pf.	140	49	48	47¾	48
11	6	.	...	Frost Steel	....	(6 bid 7 asked)			
107	100¼	7	6.9	Do. pref.	10	101	102	101	102
48	40	.	...	Do. pref. A.	....	(45¼ bid — asked)			
				G					
18¼	6	.	...	Gen. St. Wares	1245	12¼	14	12¼	13¼
110	76	.	...	Do. pref.	119	96	99	96	99
92¼	82	2.50+2.50		Goodyear Tire	137	90	90	85	85
57	53	2.50	4.6	Do. pref.	45	55	55	54	54
26¾	13¼		...	Gt. Lakes Pap.	372	21¼	21¼	20	21
51	33	.	...	Do. pref.	549	43	45	44	44¼
3¼	1¼	.	...	Gt. W. Saddlery	....	(1¼ bid 2¼ asked)			
40	29¼	.	...	Do. pref.	....	(30 bid 37¼ asked)			
15¼	7¼	20c	...	Gurd, Chas.	60	10¼	10¼	10	10¼
105	95	7	6.7	Do. pref.	....	(100 bid — asked)			
18¼	13¾	.	...	Gypsum, Lime.	1360	14¾	15	14¼	14¼
				H					
18¼	12¾	.	...	Ham. Bridge	35	14¼	14¼	13¼	13¼
90¾	63	.	...	Do. pref.	....	(— bid 80 asked)			
40¼	30	2+50▲	5	Ham. Cot., pf.	....	(30 bid 38 asked)			
3¾	2	.	...	Ham. U. Theat.	5	2	2	2	2
69	58¾	5	8.3	Do. pref.	....	(60 bid 65 asked)			
7	4¼	20c	...	Harding Carpet	400	4¼	5¼	4¼	5¼
5	5	.	...	Hillcrest Coll.	....	(2¼ bid 10 asked)			
25	15	.	...	Do. pref.	....	(20 bid — asked)			
22¼	19¾	1	4.9	Hinde & Dauch	840	21¾	21	20	21
18	14	.	...	Holt Renfrew	....	(14 bid — asked)			
74	56	.	...	Do. pref.	....	(70 bid 82 asked)			
1.75	.60	.	...	Honey Dew	....	(.70 bid .90 asked)			
15	12	.	...	Do. pref.	....	(13¼ bid 14 asked)			
34¼	18¼	.	...	H. Smith Pap.	1870	27¼	30	28	29¾
105	99¼	6	5.8	Do. pref.	35	101	103	102¼	102¼
32¾	30	2	6.7	Humberstone S.	....	(28 bid 31¾ asked)			
19	11¾	.	...	Hunts (A)	5	13	13¼	13¼	13¼
18	12	.	...	Do. (B)	....	(13¼ bid 16 asked)			
95	72	5	5.3	Huron & E. Mt.	45	85	95	90	95
15¼	11	.	...	Do. 20% pd.	....	(13 bid 15 asked)			
13¼	8¼	20c	...	Hydro Electric	....	(8¼ bid 9¼ asked)			
				I					
251¼	223	10	4.3	Imperial Bank	25	223	230	227	230
24¾	20	50+75c	5.9	Imperial Oil	12853	21	21¼	20¼	21¼
15¼	13¾	40+22½c		Imperial Tob.	2286	14¼	14¾	14¼	14¾
7¾	7	6%	...	Do. pref.	....	(7 bid — asked)			
38¾	33	1	2.8	Indust. Accept.	390	34¼	35	34¾	35
39¼	37¼	2	...	Inter-City Bak.	....	(— bid 38 asked)			
40	37¼	4+2	...	Inter'c Coal	25	40	37¼	37¼	37¼
130	130	8	...	Do. pref	....	(130 Mar. 10)			
†.20	.20	.	...	Int. Coal & C.	....	(.10 bid — asked)			
b16¼	8¾	.	...	Int. Hyd. E. A.	13800	11¼	12¼	11	11¾
18¼	11	.	...	Int. Metal Ind.	511	13	13¾	13	13
108	90¼	.	...	Do. pref.	85	92	98	95	98
105	99	5	4.9	Int. Mill., pf.	....	(100 bid 102 asked)			
73¼	54	2	3.3	Inter. Nickel	11243	58	60¼	58	60
11	6	.	...	Int. Paints	10	6¼	6	6	6
20	18	75c	...	Do. pref.	....	(18¼ bid 20 asked)			
b24¾	16¼	.	...	Int. Pa. & P. A.	4800	17¾	19¾	18¼	19
b18	10¾	.	...	Do. (B)	3200	12¾	14¼	12¾	13¾
b9¼	5¾	.	...	Do. (C)	11500	6¼	7¼	6¾	7
b121¾	90¼	.	...	Do. pref.	6700	102	106¼	101¼	104
39¾	33¼	1.50+1	7	Int. Pete.	7630	35¼	35¼	34¼	35
12¼	5	.	...	Int. Power	....	(6¼ bid 7 asked)			
98	89¼	6	6.7	Do. pref.	54	91	90	89¼	90
†15¼	13	1.12	...	Int. St. Rly. A.	....	(— bid 14¼ asked)			
21¼	15¾	.	...	Int. Util. (A)	10	17	17	17	17
3.12	1.45	.	...	Do. (B)	810	1.50	1.50	1.45	1.45
				J					
38	34¼	1.75	4.6	Jam. Pub. Ser.	20	38	38	38	38
132	130	7	5.4	Do. pref.	....	(— bid 130 asked)			
				K					
39	27¼	.	...	Kelvinator	50	31	31¼	31	31¼
108	106¼	7	6.5	Do. pref.	10	106¾	106¾	106¾	106¾
				L					
43¼	29¾	.	...	Lake of Woods	177	34	33¼	31	32
156	143	7	6.6	Do. pref.	....	(— bid 150 asked)			
75	55¼	5	7.3	Landed Bank	....	(68¾ bid 70 asked)			
22	15¼	70c	3.5	Lang, J. A.	150	18¼	20	18¼	20
6	4¼	.	...	Langley's	....	(— bid 5 asked)			
65	55	.	...	Do. pref.	....	(— bid 60 asked)			
77	68¼	3	4.3	Laura Secord	....	(— bid 72 asked)			
15	8	.	...	Lindsay, C. W.	....	(— bid 10 asked)			
78	70	.	...	Do. pref.	2	70	70	70	70
25¾	22¾	1.12½c	...	Loblaw (A)	335	24¼	24¼	24	24
23	21	1.12½c	..	Do. (B)	4311	22¼	23	22¼	22¾
				M					
1.80	1.25	.	...	Mackenzie Air.	200	1.25	1.25	1.25	1.25
†10¼	2¾	.	...	MacKin. Steel	....	(4 bid 9 asked)			
64	60	.	...	Do. pref.	....	(— bid 70 asked)			
37¼	27	.	...	Maclaren Pr. p.	1110	23	31¼	28¼	31¼
3	2	.	...	M. L. Gardens	272	2¼	3	3	3
5	2¼	.	...	Do. pref.	248	3¼	3¼	3¼	3¼
11	6¼	.	...	Maple Leaf	250	7¾	7¼	6¼	6¼
12¾	5	.	...	Do. pref.	70	7¼	7¼	6¾	7¼
17	17	60+10c	...	Maritime Tele.	....	(15 bid — asked)			
†15	15	70c	...	Do. pref.	....	(16 bid — asked)			
†18	13	.	...	Marcus Loew's	....	(— bid 20 asked)			
125	120	7	5.8	Do. pref.	....	(110 bid — asked)			
16¾	8¼	.	...	Massey-Harris	314	12¾	13¾	12	13¼
74	52¼	.	...	Do. pref.	721	63	66	63	64¼
15	8¼	40c	4.1	McColl Fron.	4235	9¼	9¾	9¼	9¼
101	88	6	6.6	Do. pref.	155	91	90¼	89¾	90
8	2¾	.	...	Melchers	1	2¾	2¾	2¾	2¾
9¼	6¼	30c	...	Do. pref.	52	7¼	7¼	7	7¼
2	1¼	.	...	Mercury Mills	....	(2 bid 10 asked)			
40	20	.	...	Do. pref.	....	(25 bid 32 asked)			
50	49	2	...	Mitchell J. S.	....	(50 bid — asked)			
†110	110	7	...	Do. pref.	....	(111 bid — asked)			
30	19	.	...	Mitchell, Robt.	456	22	23	21	22
5¼	5	.	...	Monarch Knit.	....	(4¼ bid 5 asked)			
86	67	7	10.4	Do. pref.	2	67	70	70	70
48	36	50c	...	Montreal Cot.	....	(47¼ bid — asked)			
110	105	7	6.7	Do. pref.	....	(105 bid — asked)			
1¼	1	.	...	Mont. Is. Pr.	....	(1¼ bid 3 asked)			
37¼	29	1.50	5.1	Mont. L. & Pr.	4654	29¼	29¾	29	29
31	28	2	6.4	Montreal Loan.	....	(29 bid 29¼ asked)			
17	13	1	...	Mtl. Refrig., pf.	2	16¾	16¾	16¾	16¾
2	1¾	.	...	Do. Vot. Tr.	2	2	2	2	2
65	58	3.20	5.1	Montreal Tele.	60	62¾	62¾	62¾	62¾
102	80	9	11.1	Montreal Trams	64	83	83	81	81
45	42	1.60	3.7	Moore Corp.	195	43¼	43¼	42¼	43
190	180	7	3.7	Do. pref. (A)	44	185¼	190	188	190
267	252¼	7	2.8	Do. pref. B.	....	(256 bid — asked)			
1¼	1	.	...	Muirheads	....	(.60 bid .85 asked)			
5	5	.	...	Do. pref.	....	(5¼ bid — asked)			
				N					
42¼	37¾	2	5.1	Nat. Breweries	3415	39	39	38¼	39
43¾	39	1.75	4.2	Do. pref.	75	42	42	42	42
11	8¼	.	...	Nat. Grocers	707	9¼	9¼	9	9¼
140	135	7+3.50▲	5.1	Do. pref.	10	137	136	136	136
21¼	19	.	...	N. Sew. Pipe A.	235	20	19¼	19	19
57¼	39¾	.	...	Nat. Steel Car.	3565	45	53¼	46	51¼
210	201	8	4	National Tr.	....	(205 bid 207 asked)			
54	40	2	4.8	Niag. W. Weav.	2	42	42	42	42
4	1	.	...	North Star Oil.	100	1	2¼	2¼	2¼
4¾	3¼	35c▲	...	Do. pref.	100	3¼	4¾	4¼	4¼
97¼	96	5	5.2	N. S. L. & Pr.	....	(— bid 96 asked)			
105	97¼	6	5.8	Do. pref.	....	(103¼ bid — asked)			
37	9¼		...	N. S. Steel, pf.	....	(— bid 20 asked)			
				O					
300	235	8	3.3	Ogilvie Flour	13	240¼	240	236	240
168	150	7	4.4	Do. pref.	10	160	160	160	160
112	106	5	4.6	Ontario Loan	....	107¼ bid 109 asked			
7¼	4¾		...	Ont. Silknit	....	(— bid 8 asked)			
71	64	7	10.8	Do. pref.	5	65	64	64	64
18¾	15		.	Ont. Steel	....	(13 bid 17¼ asked)			
114	114	7+5¼▲	..	Do. pref.	....	(107 bid 115 asked)			
3¼	2			Orange Crush	300	2	2	2	2
10	6¼	.	...	Do. pref.	....	(6 bid 6¼ asked)			
100	89	6	6.7	Ott. L. H. & Pr.	22	89	89	89	89
105	102	5	4.9	Do. pref.	10	103	102	102	102
23¼	19¼	2	8.5	Ott. Traction	80	22	23¼	23	23
				P					
109¼	98	1.75+25c.		Page-Hersey	198	105	105	101¼	102
9¾	5¾	.	...	Pantepec Oil	450	8¼	8¾	8¼	8¼
20	15	.	...	Paton Mfg.	....	(10 bid — asked)			
†110	100	7	...	Do. pref.	....	(110 Nov. 7, '36)			
63¾	58	3	5	Penmans	15	62	60	60	60
130	127	6	4.7	Do. pref.	....	(— bid 125 asked)			
26¼	21	1	4.2	Photo Eng.	50	23¼	23¼	23	23
102	96	7	7	Porto Rico Pr. p	20	99	100	100	100
33¾	20	25c	...	Power Corp.	495	23	22¼	21¼	22¼
108	100	6	6	Do. pref.	11	100	102	100	100
3¾	2¼	.	...	Prairie C. Oil	....	(2¼ bid 2¾ asked)			
36	28	1	...	Pressed Metals	65	30	29	28	28
53	25	.	...	Price Bros.	6447	40	44¼	42	43¼
79	64¼	.	...	Do. pref.	977	68¼	70	68	69
				Q					
25¾	17	1	5.6	Quebec Power	209	19	18¼	17	18
4¾	4	.	...	Que. Telephone	50	4	4¼	4¼	4¼
				R					
58	40	2	5	Real Estate L'n	....	(— bid 95 asked)			
11	8	.	...	Regent Knit	225	8¼	11	9¼	10¼
23¼	19	1.60	7	Do. pref.	20	23	23	23	23
4	2¼	15c	...	Reinhardt Brew	....	(— bid 3¾ asked)			
14¼	8	.	...	Reliance Grain	....	(13 bid 14 asked)			
29¼	22	60+15c•	.	Remington R'd.	....	(24¾ bid 25¾ asked)			
33	30¼	2	6.5	River S. Mills	....	(31 bid 32 asked)			
8¾	6	.	...	Rogers Majest.	349	6	6¼	6	6
31	26	1	...	Rolland Pap.	....	(30 Apr. 30)			
33	25	.		Do. Vot. Trust	205	28¼	29¼	29	29¼
106¼	102¼	6	5.8	Do. pref.	21	103	104	104	104
11¾	11¾	25c	...	Root Petroleum	....	(— bid 10 asked)			
227	198	8	3.8	Royal Bank	91	204	208	203	208
78	56	1.25	..	Russell Motor	....	(70 bid — asked)			
118	110	7	6.2	Do. pref.	20	113¼	114	114	114
				S					
103¼	98¼	5.50	5.3	Saguenay Pr. p.	100	102¼	103	103	103
23	13	.	...	Sarnia Br. (A)	....	(13 bid 16 asked)			
16	7	.	...	Do. (B)	20	8	7	7	7
34	25¼	80c	3	Shawinigan Pr.	8012	26¼	27	25¼	27
30	24	.	...	Sher. Wms.	60	24¼	24¼	24¼	24¼
131	127	7	5.5	Do. pref.	10	127	127	127	127
16	14	.	...	Simon & Son	3	14	14¼	14¼	14¼
103¼	100	7	6.9	Do. pref.	....	(101 bid 104 asked)			
110	97¼	5	4.9	Simpson, pf.	115	98	101	98	100¼
38	20	.	...	Do. (A)	....	(25¼ bid 26 asked)			
17	6¼	.	...	Do. (B)	71	8¼	9	6¼	9
122	109	6	5.2	Simpson, R., pf.	10	115	114	114	114
18¼	13	80c	5.7	So. Can. Pr.	128	13	14	13	14
108	104	6	5.7	Do. pref.	108	105	105	105	105
15¼	8¼	.	...	St. Law. Corp.	6201	12¾	13¾	12¾	13¼
39¾	25	.	...	Do. (A)	2417	33¼	36	33¼	35¼
25	22	1	4.2	St. Law. Flour.	25	24	23¼	23¼	23¼
145	140	7	5	Do. pref.	....	(140 bid 142 asked)			
97	68	.	...	St. Law. Pap. p	2003	92¼	95¼	91¾	93¼
15¾	10	.	...	Stand. Chem.	....	(11 bid 14¾ asked)			
14¼	8	.	...	Stand. Clay	....	(5 bid — asked)			
9¼	5	.	...	St. Pav. & Mat.	287	5¼	5¼	5	5¼
56	40			Do. pref.	....	(30 bid 33 asked)			
49¼	45	3+75c▲	...	Stand. Steel, p.	....	(40 bid 45 asked)			
96¼	77	1.75‡	2.2	Steel of Can.	450	79	80	78¼	80
88¼	71	1.75	2.4	Do. pref.	175	72¼	73¼	72¼	73
4¼	3¼		...	Sterling Coal	....	(5 bid 6 asked)			
3¼	1		...	Stop & Shop	....	(1 bid 2 asked)			
17	15¼	80c	5	Stuart, D. A., pf	....	(— bid 17 asked)			
3	3	.	...	Supersilk H.	....	(3¼ bid — asked)			
85	80	2.50	...	Do. pref.	....	(— bid — asked)			
37	33¼	1	2.7	Sup. Pete. ord.	5	36	36¼	36¼	36¼
36	33	1	2.8	Do. com.	....	(— bid 49 asked)			
				T					
16¾	15¾	80c	5	Tamblyn	840	16	16¼	16	16¼
54	52¼	2.50	4.7	Do. pref.	200	53¼	53	53	53
2¼	1¾		...	Thayers	....	(2 bid — asked)			
25	19	2.50	...	Do. pref.	20	20¼	20	20	20
2	1	.	...	Thrift Stores	175	1¼	1	1	1
8	6	.	...	Do. pref.	....	(— bid 7 asked)			
14	10	40c	...	Tip Top Tailors	25	12	12	12	12
110	104	7	6.4	Do. pref.	20	108	109¾	109¾	109¾
6	2	.	...	Tooke Bros.	....	(3 bid — asked)			
34¼	21	.	...	Do. pref.	....	(20 bid 25 asked)			
46	36	1	2.6	Tor. Elevators	85	37	38¼	38	38¼
52	47	66c	...	Do. pref.	77	49	50	48	50
110	96¼	4	3.9	Tor. Gen. Tr.	22	101¼	103	101	101
126	120	6	4.8	Toronto Mtge	....	(125 bid — asked)			
160	150	7	4.6	Tuckett Tob. p.	1	150	150	150	150
18	9¾	.	...	Twin City	100	10	9¾	9¾	9¾
				U					
19	13	27½c	...	Union Gas	810	14¼	14¾	14	14¾
28	20	60c	...	Un. Amuse. A.	....	(— bid 30 asked)			
27	24	60c	...	Do. (B)	....	(— bid 30 asked)			
1.15	.65	.	...	United Distill.	....	(.70 bid 1.00 asked)			
62¼	48	.	...	United Fuel, pf.	343	49¼	53	48¼	50¼
25	23	2	8.7	United Secs.	....	(23 bid — asked)			
11¼	6	.	...	United Steel	1100	7¼	8	7¼	7¾
				V					
8	3¼	.	...	Viau Bisc.	11	5	3¼	3¼	3¼
60	50	.	...	Do. pref.	35	50	50	50	50
				W					
35	20	50c	...	Wabasso Cot.	1120	32	35	32¼	35
49¼	42	2	4.4	Walker-Good.	2440	44¾	46	44¼	45¾
20	18¼	1	5.1	Do. pref.	757	19¼	19¼	19	19¾
3¼	2	.	...	Walkerville Br.	300	2¼	2¼	2	2
5	2¼	.	...	Waterloo Mfg.	225	2¾	2¼	2¼	2¼
12¼	7¼	.	...	West. C. Flour	10	7¼	7¼	7¼	7¼
90	65			Do. pref.	....	(— bid 69 asked)			
71	65	1.95	...	West. Grocers	4	70¼	68	68	68
122	115¼	7	6	Do. pref.	....	117¼ bid 125 asked			
18¼	15¼	80+10c.		Weston Ltd.	480	15¼	16	15¼	15¾
106¼	99	5	5	Do. pref.	25	101	1.0	100	100
6	4			Windsor Hotel	....	(— bid 5¼ asked)			
23	11	.	...	Do. pref.	....	(— bid 12 asked)			
10¼	4¼	.	...	Winnipeg El. A.	455	4¾	4¾	4¼	4¾
10	4	.	...	Do. (B)	134	4	4¼	4	4¼
44	26¼	.	...	Do. pref.	130	28¼	29	26¾	27
75	53	.	...	Wood, A. & J. p	....	(70 bid 75 asked)			
85	70	.	...	Woods Mfg. pf.	....	(60 bid 75 asked)			
				Z					
7¼	3¼		...	Zimmerknit, c.	725	3¾	5¼	5	5
93	92	7	...	Do. pref.	3	98	95	95	95

† 1936.
▲ On account of arrears. b New York quotations.
‡ Plus extra of $2 paid Feb. 1, 1937.
• Plus stock bonus of 1% paid Jan. 2, and 1% Mar. 26, 1937.
■ Plus capital distribution of $1 paid Feb. 1, 1937.

Mining Stock Quotations

WEEK ENDED JUNE 7, 1937

Par Val	Range 1937 High	Low	Company	Sales	Close May 31 (or last)	High for week	Low for week	Close June 7
1	.10½	.04	Afton	8,600	.05	.05	.04	.04
No	1.90	.88	Aldermac	18,315	1.05	1.12	1.04	1.07
1	.04¾	.02	Alexandria	15,600	.02¼	.02¼	.02	.02
No	8.75	5.40	Anglo-Huronian	2,185	6.00	6.20	6.00	6.20
1	1.42	.52	Argosy	3,925	.55	.60	.52	.57
1	1.15	.45	Arntfield	2,250	.50	.50	.45	.50
No	.09	.03	Arno	5,200	.03½	.04	.03½	.03½
1	.15	.07½	Ashley	4,010	.08½	.08½	.07½	.08½
1	.27	.09	Astoria Rouyn	32,700	.11	.12	.11	.12
50c.	.16	.07	Aztec	750	.08	.07	.07	.07
1	.36	.23	Bagamac	3,000	.27	.27	.25	.27
1	1.85	.80½	Bankfield	11,466	.95	1.00	.92	.95
1	.01½	.01	Barry Hollinger	......	(.01 bid	.02 asked)		
1	.65	.25	Base Metals	6,000	.36	.37	.30	.30
No	1.75	1.00	Beattie Gold	5,700	1.16	1.27	1.14	1.20
1	.65	.30	Beaufor	700	.30	.33	.30	.33
1	1.70	.50	Bidgood Kirk.	65,513	.63	.67	.50	.60
1	.72	.40	Big Missouri	4,925	.40	.47	.40	.45
1	.29	.14	Bobjo	17,100	.15	.17½	.15	.16
1	1.14	.38	Bouscadillac G.M.	8,550	.40	.41	.38	.40
No	9.00	6.40	Bralorne	3,314	7.00	7.25	6.80	7.25
1	.15	.06	Brasil Gold	500	.08	.06	.06	.06
1	.21	.07½	Brett Trethewey	1,650	.09	.09½	.08	.09½
1	.13	.05	Brownlee	2,700	.05	.05½	.05½	.05½
1	12.50	8.25	Buffalo Ankerite	1,385	9.45	9.75	9.30	9.70
No	.06½	.03	Buffalo Can.	3,000	.03½	.03½	.03	.03
5	30.00	23.50	Bulolo Gold	378	24.00	24.50	23.50	23.50
No	.23	.10	Bunker Hill	4,825	.14	.15	.12	.15
No	2.30	1.00	Can. Marlartic	11,062	1.18	1.30	1.12	1.29
1	1.75	1.47	Cariboo Gold	1,050	1.65	1.60	1.60	1.60
1	.47½	.18	Cartier Malartic	5,900	.21	.22½	.20	.22
1	1.66	.95	Castle Trethewey	9,200	.95	1.02	.95	1.02
1	.65	.30	Cent. Cadillac	14,100	.40	.41	.35	.35
1	.31	.05	Cen. Manitoba	15,400	.06	.06½	.05	.05
1	5.25	2.60	Cen. Patricia	22,795	2.90	3.25	2.90	3.20
1	.43	.14	Cen. Porcupine	11,825	.16½	.16½	.14	.16
No	1.47	.60	Chromium	13,150	.79½	.90	.75	.90
No	.06	.03	Church M. & Mill	8,800	.03½	.03½	.03½	.03½
5	10.00	4.00	Coast Copper	225	4.75	4.30	4.30	4.30
1	.03¾	.01½	Cobalt Contact	3,000	.01½	.01½	.01½	.01½
5	3.50	2.00	Coniagas	75	2.85	2.50	2.00	2.00
No	2.14	1.05	Coniaurum	445	1.20	1.25	1.10	1.24
1	2.70	1.00	Con. Chibougamau	16,870	1.12	1.25	1.05	1.19
25	100.50	72.00	Cons. Smelters	4,118	75.50	80.25	76.50	80.00
1	.30	.17	Coulson Cons.	3,600	.21	.21	.20	.20
1	.98	.55	Darkwater	8,150	.55	.60	.56½	.60
No	51.12	38.25	Dome Mines	6,213	39.00	41.75	39.00	41.00
1	.15	.04	Dom. Explorers	1,250	.05	.05½	.04	.05½
1	1.22	.40	Dorval Siscoe	7,400	.58	.60	.55½	.60
1	.15	.05½	Duparquet	17,600	.08	.08½	.07½	.08
1	2.05	.90	East Malartic	34,131	1.03	1.20	1.05	1.15
1	3.65	2.10	Eldorado	13,830	2.75	2.95	2.70	2.81
No	12.87	7.10	Falconbridge	3,040	7.65	7.85	7.50	7.65
1	.54	.10	Federal	23,600	.13	.14	.12	.12½
No	1.59	.70	Francoeur Gold	29,500	.80	.94	.73	.85
1	.30	.08	Glenora	6,200	.10	.10	.08	.08
1	.65	.30	Gillies Lake	66,650	.40	.46	.40	.45
No	1.02	.45	God's Lake	22,695	.53	.53½	.47½	.51
1	.30	.07	Golconda	......	(.07 bid	.08½ asked)		
1	.49	.22	Goldale	6,800	.25	.28	.22	.28
50c.	.39	.12	Gold Belt	2,300	.30	.30	.25	.26½
1	.68	.34	Gold Eagle	12,925	.40	.41	.34	.41
1	.22	.10	Goodfish	15,100	.12	.13	.11½	.12½
1	.63	.16	Graham Bosquet	7,700	.18½	.18	.16	.18
1	.57	.20	Granada Gold	9,900	.21	.25	.20½	.22
No	.18	.06½	Grandora	......	(.08½ bid	.09¾ asked)		
1	.18	.10	Grull Wihksne	......	(.07 bid	.10 asked)		
1	1.25	.69	Gunnar Gold	4,800	.80	.78	.75	.77
1	.07	.02½	Halcrow Swayze	4,500	.02½	.02½	.02½	.02½
1	3.44	1.39	Hard Rock	21,750	1.61	1.75	1.55	1.66
1	.35	.14½	Harker	10,800	.15	.16½	.15	.15½
5	15.50	10.75	Hollinger	6,238	11.25	11.87	11.25	11.50
1	.72	.33½	Howey Gold	45,200	.36	.41	.34½	.40
No	41.75	27.00	Hudson Bay	2,445	28.00	29.50	28.25	29.25
1	19.25	11.25	Inter. Mining	......	(11.25 bid	.... asked)		
No	73.25	54.00	Int. Nickel	11,243	58.00	60.12	58.00	60.00
1	.54	.33	Jacola	11,599	.38	.39	.33	.38½
1	1.61	.75	Jack Waite	160	.85	.85	.75	.75
1	2.15	.90	Jellicoe	43,126	1.00	1.12	1.00	1.10
1	.59	.24	J. M. Cons. Gold	24,910	.27	.27	.24	.26
1	3.20	2.20	Kerr Addison	39,716	2.35	2.65	2.35	2.55
1	.65	.50	Kerr Lake	......	(.35 bid	.79 asked)		
1	.55	.35	Kirk. Gold Rand	2,743	.35	.36	.35	.35
1	2.65	1.35	Kirk. Hud. Bay	11,100	1.95	1.99	1.80	1.95
1	1.70	.90	Kirkland Lake	42,355	1.25	1.40	1.26	1.38
1	.55	.21	Kirk. Townsite	1,800	.25	.24½	.21	.24½
1	1.10	.50	Laguna	2,400	.50	.55	.50	.50
1	59.50	47.50	Lake Shore	7,287	51.00	50.25	48.00	50.00
1	.28	.04	Lamaque Contact	88,550	.04½	.04½	.04	.04½
1	1.33	.63	Lapa Cadillac	38,575	.84	.85	.78	.82
1	1.05	.73	Lava Cap	3,600	.93	.92	.88	.91
1	.30	.15	Lebel Oro	20,450	.15½	.16	.15	.15
1	.07½	.03	Lee Gold	9,200	.03½	.03½	.03	.03
1	1.35	.56	Leitch Gold	8,700	.56	.65	.56	.65
No	8.40	5.00	Little Long Lac	2,520	5.30	5.50	5.15	5.50
1	8.60	4.85	Macassa	17,782	5.05	5.45	4.95	5.40
1	1.26	.63	Madsen Red Lake	14,290	.74	.72½	.63	.72½
1	.36	.13½	Maralgo	16,940	.14	.14½	.13½	.14½
1	.04¾	.01½	Malrobic	8,100	.01¾	.01½	.01½	.01½
No	.69	.20	Mandy	2,000	.25	.28	.20	.25
No	.16	.03	Man. & Eastern	22,500	.03	.03½	.03	.03½
1	.44	.03	May Spiers	60,900	.06	.06	.03	.03½
5	42.25	32.75	McIntyre	5,294	33.50	35.25	33.25	35.00
1	2.03	1.04	McKenzie R. L.	12,350	1.15	1.24	1.11	1.20
1	.65	.55	McKinley	150	.65	.65	.65	.65
No	4.85	1.65	McLeod Cockshutt	68,306	1.90	2.30	1.90	2.25
No	1.21	.45	McWatters	10,500	.50	.55	.48	.55
1	.57	.17	McVittie	13,100	.32	.32	.28	.30
5	2.00	1.50	Mentor Exp. & Dev.	.....	(1.25 bid	2.00 asked)		
No	5.00	2.80	Mining Corp.	7,875	3.25	3.25	3.05	3.15
No	.33½	.12½	Minto Mines	6,700	.22	.21	.17	.18
1	.08	.02½	Moffatt Hall	4,000	.03	.03	.02½	.02½
1	.88	.32	Morris Kirk.	13,100	.35	.35	.32	.32
1	1.97	1.05	Moneta	18,515	1.26	1.48	1.27	1.40
1	.45	.15	Montague	1,750	.15	.18	.15	.18
1	.10	.03	Murphy	6,300	.03½	.03½	.03	.03½
1	1.05	.35	Naybob	4,200	.37	.40	.36	.36
No	.12	.03½	Newbec	9,100	.03½	.04½	.03½	.04
1	1.49	.60	New Golden Rose	3,900	.64	.65	.60	.65
1	.05	.02	Night Hawk Penn	3,500	.02	.02½	.02	.02½
5	3.60	2.35	Nipissing	395	2.40	2.65	2.35	2.40
No	83.00	59.25	Noranda	8,105	61.00	63.50	60.00	61.50
No	.95	.70	Nor. Canada	2,800	.79	.79	.75	.75
1	.16½	.06	Norrold	2,500	.06½	.06	.06	.06
1	1.75	1.20	Normetal Mining	3,193	1.45	1.50	1.32	1.50
1	13.25	6.50	O'Brien	62,355	8.25	9.25	8.30	8.95
1	1.28	.45	Omega	18,610	.55	.63	.55	.61
1	2.20	1.00	Oro Plata	6,700	1.05	1.10	1.00	1.04
1	.30	.15	Osisko	......	(.08 bid	.16 asked)		
No	4.05	2.00	Pamour	5,919	2.15	2.35	2.15	2.30
1	1.10	.49	Pandora	19,650	.50	.63	.49	.62
1	.42	.15	Parkhill	21,968	.18	.20	.15	.18
1	3.80	1.90	Pato Cons. G.	2,400	2.25	2.25	1.90	2.25
1	.41	.17	Partanen Gold	7,550	.17	.19	.17	.19
1	.06	.02	Pawnee Kirk.	7,000	.02	.02½	.02	.02½
1	.46	.15	Paulore	6,000	.16	.19	.17	.17½
1	1.38	.53	Paymaster	49,620	.58	.65	.55	.62
1	.32	.23	Payore	24,105	.23	.28½	.23	.28
1	6.60	2.55	Pend Oreille	18,140	3.45	3.85	3.40	3.75
1	2.51	.96	Perron Gold	48,080	1.04	1.10	.96	1.05
1	.03	.01½	Peterson Cobalt	1,500	.01½	.01½	.01½	.01½
1	9.20	5.20	Pickle Crow	13,823	6.10	6.40	5.90	6.40
1	6.85	3.75	Pioneer Gold B.C.	1,415	4.00	3.85	3.75	3.80
1	17.00	15.00	Placer Development	135	16.00	15.50	15.00	15.50
1	.11	.03½	Porcupine Crown	33,000	.03½	.05	.03½	.05
1	2.20	.95	Powell Rouyn	6,300	1.01	1.09	1.00	1.07
1	4.50	2.45	Premier Gold	8,460	2.50	2.56	2.50	2.55
1	1.47	.84	Preston E. Dome	29,500	.97	1.05	.95	.99
No	1.55	1.10	Prospectors Air's.	700	1.45	1.43	1.40	1.43
1	.88	.40	Quebec Gold	2,350	.42	.42	.41	.42
No	.48	.09	Quemont	1,163	.16	.15	.13	.15
1	6.85	3.60	Read Authier	6,180	3.75	4.10	3.70	4.00
1	2.00	.82	Red Crest	1,900	1.00	1.00	.90	.90
1	1.78	.38	Red Lake	24,520	.43	.49	.42	.47
No	1.52	.80	Reeves McDonald	1,500	.87	.89	.80	.89
1	1.35	.85	Reno Gold	11,100	.85	.88	.86	.88
1	.22	.09	Reward	11,600	.10	.10	.09½	.09½
1	.16	.05	Ritchie	14,200	.05	.05½	.05	.05
1	.12½	.03½	Robb Montbray	5,000	.04½	.04½	.04	.04
1	.48½	.12	Roche Long Lac	45,100	.15	.15	.12	.13
1	2.40	1.25	San Antonio	12,761	1.50	1.50	1.30	1.40
1	1.13	.54	Shawkey	20,325	.57	.61	.55	.60
50c.	.83	.57	Sheep Creek	6,850	.82	.80	.80	.80
1	4.00	1.80	Sherritt Gordon	32,406	2.58	2.65	2.25	2.60
1	6.65	3.60	Siscoe	16,920	3.75	4.15	3.70	4.00
1	2.50	1.00	Sladen Malartic	31,100	1.10	1.30	1.07	1.25
1	2.50	1.00	Slave Lake	5,875	1.00	1.05	1.00	1.00
No	.05½	.02	South Tiblemont	1,200	.02½	.02½	.02	.02
No	2.90	.90½	Stadacona	125,451	1.43	1.63	1.40	1.55
1	.32	.13	St. Anthony	38,700	.18	.19½	.16½	.19
No	6.90	3.50	Sudbury Basin	3,010	4.00	3.90	3.50	3.70
1	.40½	.18	Sudbury Contact	7,550	.23	.23	.20½	.22
1	2.25	1.05	Sullivan Cons.	12,150	1.29	1.35	1.24	1.35
1	4.80	2.70	Sylvanite	9,830	3.00	3.30	3.00	3.25
1	.29	.09	Tashota	13,006	.09	.09½	.09	.09
1	6.10	4.90	Teck Hughes	5,279	5.05	5.50	5.00	5.25
1	2.15	.65	Thomp. Cadillac	20,400	.70	.75	.65	.74
...	.01½	.00½	Do. Rights	69,610	.00½	.01	.00½	.00½
1	.65	.20	Timiskaming	41,250	.36	.41	.37	.40
1	4.60	2.10	Toburn Gold	1,550	2.50	2.50	2.25	2.40
1	2.00	.88	Towagmac	3,080	1.05	1.14	1.00	1.10
1	2.60	.50	Treadwell	......	(.35 bid	.60 asked)		
No	9.10	7.75	Ventures	2,546	9.10	8.75	7.75	8.15
No	4.65	2.35	Waite Amulet	6,818	2.65	2.85	2.70	2.85
No	.05	.02	White Eagle	......	(.02 bid	.02½ asked)		
1	.30	.10	Whitewater	4,500	.14	.15	.12	.15
1	.17	.04½	Wiltsey Coughlan	2,000	.04½	.04½	.04½	.04½
1	.77	.34	Wood Cadillac	24,200	.40	.43	.35	.42
No	8.20	6.00	Wright-Hargreaves	11,513	6.30	6.50	6.20	6.30
No	.53	.26	Ymir Girl	1,000	.26	.28	.26	.26

OIL STOCKS

Par Val	Range 1937 High	Low	Company	Sales	Close May 31 (or last)	High for week	Low for week	Close June 7
No	.22	.10	Acme Gas & Oil	4,300	.14	.13½	.12	.13
1	.57	.29	Ajax	1,300	.38	.38	.35	.35
1	.95	.29	Alta. Pac. Cons.	2,950	.32	.37	.33	.35
1	1.10	.20	British Dominion	1,100	.20	.28	.20	.28
No	6.55	2.00	Calgary & Ed.	25,995	2.75	3.25	2.69	3.15
1	1.75	.40	Calmont	13,100	.60	.70	.63	.69
No	.95	.24	Common Pete	4,650	.32	.36	.31	.36
No	3.60	.55	Dalhousie	9,275	.83	.88	.80	.86
No	.45	.10	Eastcrest	10,200	.16	.18	.16½	.17½
No	3.35	.90	Foothills	1,700	1.10	1.25	1.05	1.25
No	1.20	.20½	Foundation Pete.	5,900	.25	.24	.20½	.24
No	.39	.16	Hargal	500	.20	.17	.17	.17
No	.90	.15	High. Sarcee	14,900	.22	.26	.21	.26
No	4.05	1.35	Home	29,485	1.80	2.10	1.80	2.10
1	.87	.31	Homestead O.&G.	36,200	.41	.48	.40	.45
No	.70	.50	Hunter Valley	......	(.50 May 19)			
No	.16	.15	Do. Warrants	......	(.15 May 26)			
No	.90	.20	Lowery	......	(.26 bid	... asked)		
No	.30	.18	McD.-Segur Ex.	600	.25	.25	.24	.24
No	.63	.26	Mercury	9,450	.32	.37	.30	.37
No	.39	.10	Merland	1,100	.15	.14	.12	.14
1	1.15	.38	Model	1,815	.50	.57	.40	.40
5	.49	.15	Nordon	27,600	.20	.20	.17	.17
No	.12	.04	Oil Selections	1,000	.04½	.04½	.04½	.04½
No	4.10	1.05	Okalta	12,085	1.53	1.91	1.50	1.91
No	.12	.03½	Olga Gas & Oil	1,700	.04	.04½	.04½	.04½
No	.43½	.10	Pacalta	26,000	.15	.17	.14½	.17
1	.70	.60	Petrol Oil & Gas	100	.60	.65	.65	.65
No	60.00	34.50	Royalite	595	40.25	40.00	38.00	39.00
No	2.00	.50	South West Pete.	200	.75	.65	.60	.60
1	.68	.27	Spooner Oil	500	.35	.30	.30	.30
No	2.35	1.50	Texas Can.	6,650	1.95	2.05	1.95	2.00
No	.70	.17	United Oil	27,060	.26	.30	.25	.29
1	2.00	1.00	Vulcan	3,300	1.35	1.40	1.21	1.40

VANCOUVER STOCK EXCHANGE

Par Val.	Range 1937 High	Low	Company	Sales	Close May 31 (or last)	High for week	Low for week	Close June 7
50c	.15	.08	Aztec	3,000	.08	.08½	.08	.08½
25c	.02	.00¾	Bayview	......	(... bid	.01 asked)		
20c	.04	.01	Beaver Silver	......	(.01½ bid	.02 asked)		
1	.70	.44	Big Missouri	2,500	.44	.45½	.45	.45½
25c	.07½	.02½	Bluebird	......	(.03 bid	... asked)		
No	9.00	6.10	Bralorne	4,034	6.90	7.25	6.75	7.25
1	.07½	.03½	Bridge River Cons.	3,000	.04½	.03½	.03½	.03½
50c	.19	.08	B.R.Mountain Gold	.....	(.08 May 29)			
1	.40	.17	B. C. Nickel	57,100	.21	.27	.20½	.21
1	3.85	2.40	B. C. Silver	......	(2.40 May 15)			
50c	.04½	.03½	Canadian Rand	......	(.03½ Apr. 14)			
1	1.79	1.45	Cariboo Gold	1,350	1.59	1.61	1.55	1.61
1	.14	.03½	Congress Gold	9,300	.05	.05	.04½	.04½
25c	.05	.01	Cork Province	......	(.01 bid	... asked)		
No	.28	.13½	Dentonia	2,300	.15	.19	.15	.16
1	.05	.03	Dunwell	......	(... bid	.03½ asked)		
No	.18	.08	Fairview Amal.	5,021	.08½	.09	.08	.08
50c	.69	.38	Fawn Mining	......	(.38 Mar. 18)			
1	.06½	.03	Federal Gold	2,000	.03	.03	.03	.03
1	1.43	.38	George Copper	400	.40	.41	.40	.41
50c	.06½	.02½	George Enterprise	......	(.03 bid	.03½ asked)		
1	.05	.02	Georgia River	8,000	.02½	.02½	.02½	.02½
...	.03½	.01	Glacier Creek	1,000	.02	.01	.01	.01
1	.29	.07	Golconda	2,500	.09	.07½	.07	.07½
50c	.37	.11½	Gold Belt	7,200	.31	.30	.27	.28
50c	.43	.05	Gold Mountain	32,100	.06½	.06½	.05½	.06½
50c	.30	.11½	Grandview	7,300	.16	.17	.15	.16½
No	.03½	.01	Grange Mines	6,000	.02½	.02½	.02	.02½
1	.18½	.07	Grull Wihksne	7,800	.08	.08½	.07½	.08½
No	.65	.00½	Haida Gold	......	(.01 bid	.02 asked)		
25c	.26	.20	Hecla Mining	......	(.25 Mar. 30))			
No	.13	.03	Hedley Sterling	......	(... bid	.03 asked)		
No	.04½	.02	Home Gold	2,000	.02½	.02	.02	.02
1	.04½	.02½	Independence	......	(.03½ Feb. 11)			
1	.08	.02	Indian Mines	2,000	.02½	.02	.02	.02
50c	1.18	.65	Island Mountain	600	.70	.70	.70	.70
1	.22½	.21	Inter'tl Coal	1,000	.21	.21	.21	.21
50c	.06½	.04½	Inter'tl Gold	......	(... bid	.04 asked)		
50c	.90	.79	Kootenay Belle	2,700	.83	.85	.80	.85
20c	.07	.01½	Koot. Florence	6,300	.02	.02	.01½	.01½
25c	.04½	.01	Kootenay King	......	(... bid	.01½ asked)		
1	.03½	.00¾	Lakeview	1,500	.01½	.01½	.01½	.01½
10c	.19½	.06½	Lucky Jim	15,900	.07½	.07½	.07½	.07½
No	.07½	.02½	Mak Siccar	......	(.02½ bid	.03 asked)		
50c	.02½	.00½	Marmot Metals	1,000	.00½	.00½	.00½	.00½
1	.19½	.18	McGillivray Creek	......	(.19 bid	... asked)		
5c	.17	.12	Meteline	......	(.12 May 16)			
50c	.06½	.01	Meridian Min.	......	(.01½ bid	... asked)		
No	.38	.13½	Minto Mines	103,500	.18	.21	.16	.16
1	.05	.01	Morton Woolsey	......	(.01½ May 20)			
50c	.15½	.05	Nicola	17,400	.05½	.06	.05½	.05½
50c	.17	.06	Noble Five	5,000	.07	.06½	.06	.06½
1	6.75	2.65	Pend Oreille	1,220	3.70	3.75	3.50	3.65
No	.07½	.03	Pilot Gold	15,100	.03½	.04	.03	.04
1	6.75	3.75	Pioneer Gold	1,520	3.80	3.95	3.80	3.95
50c	.15	.04½	Porter Idaho	......	(.04 bid	... asked)		
No	.05½	.02	Premier Border	4,500	.02½	.02½	.02	.02
1	4.80	2.50	Premier Gold	3,700	2.50	2.56	2.50	2.56
1	.15	.03	Quatsino Copper	4,500	.04	.04	.03½	.04
25c	.17	.08½	Quesnelle Quartz	......	(.09 bid	.10 asked)		
1c	.05½	.02½	Reliance	14,000	.03	.02½	.02½	.02½
1	.37	.19	Relief Arlington	700	.19	.20	.19	.19
No	1.90	.75	Reeves McDonald	2,800	.79	.85	.77	.85
1	1.31	.85	Reno Gold	4,400	.87	.83	.85	.86
1	.20½	.06	Reward Mining	6,400	.10	.10½	.09½	.09½
1	.09½	.03	Rufus Argenta	11,000	.03½	.04	.03½	.03½
1	.11½	.02½	Ruth Hope	1,000	.03	.03	.03	.03
1	.12	.06	Sally Mines	......	(.06 May 18)			
50c	.15	.08	Salmon Gold	......	(... bid	.09½ asked)		
50c	.83	.58	Sheep Creek	7,350	.82	.80	.78	.78
1	3.20	2.50	Sibak Premier	......	(2.50 May 28)			
25c	.14½	.04½	Silvercrest	1,100	.06	.07	.06	.06
20c	.10	.02½	Silversmith	500	.02½	.02½	.02½	.02½
1	.63	.42	Standard Silver	......	(... bid	.50 asked)		
10c	21.00	19.75	Sunshine	......	(19.75 Apr. 6)			
No	.13	.05	Taylor Bridge	......	(... bid	.05½ asked)		
1	.14	.08	Taylor Windfall	......	(.10½ Apr. 29)			
No	1.05	.30	Vidette Gold	11,000	.40	.56	.45	.45
No	.06½	.01½	Viking Gold	3,000	.02	.02	.01½	.01½
50c	.03	.01	Waverley Tangier	8,000	.01	.01	.01	.01
50c	.08½	.03½	Wayside	......	(.04 May 5)			
20c	.13½	.05½	Wellington	6,500	.05½	.04½	.04	.04
50c	.50	.16	Wesko	1,800	.18	.19	.17	.18½
1	.42	.11	Whitewater	3,500	.13	.14	.12	.13
No	.50	.25	Ymir Yankee Girl	......	(.25 May 31)			

OIL STOCKS

Par Val.	Range 1937 High	Low	Company	Sales	Close May 31 (or last)	High for week	Low for week	Close June 7
1	1.09	.26	Alta. Pac. Cons.	3,430	.32	.39	.33	.39
1	.14½	.06½	Amalgamated	13,000	.08½	.08½	.08	.08
1	.64	.07½	Anaconda	33,600	.17	.20½	.18	.20
No	.45	.07	Associated Oils	500	.10½	.12	.12	.12
No	.24	.04½	Baltac	1,600	.06	.06	.06	.06
1	1.05	.15	Brit. Dominion	......	(.20 bid	.26 asked)		
No	6.50	2.15	Calgary & Ed.	7,452	2.64	3.40	2.70	3.25
1	1.84	.43	Calmont	4,439	.59	.63	.55	.68
1	.90	.26	Commonwealth	6,250	.31	.39	.32	.39
1	.13	.07	Crow's Nest	4,500	.07	.07½	.07	.07
No	3.55	.71	Dalhousie Oil	200	.83	.83	.83	.83
No	.24	.05	Devenish	1,250	.07	.06½	.06	.06
No	.45	.13½	Eastcrest	4,000	.18	.16	.16	.16
No	.96	.23	Foundation Pete.	5,400	.25	.25	.23	.25
No	.44	.09	Freehold	7,200	.09½	.10	.09½	.10
No	.40	.10	Hargal	900	.18	.18	.18	.18
No	.91	.14	High. Sarcee	20,900	.22	.23½	.22	.20½
No	4.10	1.50	Home Oil	2,505	1.80	2.10	1.85	2.05
No	.88	.21	Lowery	1,000	.30	.30	.26	.30
No	.35	.04½	Madison	31,500	.09	.10½	.09½	.10½
No	.50	.15	Marion Oil	3,500	.18	.19	.18	.18½
No	.78	.18	McD.-Segur Ex.	15,950	.21	.23½	.22	.23½
1	1.60	.40	McLeod	600	.50	.52	.50	.51
No	.83	.22	Mercury	32,680	.31	.36½	.32	.35
No	.39	.12	Merland	250	.15	.15	.15	.15
No	.65	.16	Mill City Pete	......	(.22 bid	.28 asked)		
No	.65	.08	Midwest Pete.	100	.11	.12	.12	.12
1	1.15	.44	Model	2,860	.55	.65	.57	.63
25c	.25	.23	Monarch Royal	......	(.34 bid	.35 asked)		
5	.48	.16	Nordon	20,200	.19½	.20	.16	.16
No	4.00	.85	Okalta	......	(1.74 bid	1.75 asked)		
No	.44	.11½	Pacalta Oil	6,200	.15	.17½	.16	.17
1	1.50	.28	Ranchmen's	43,580	.43	.48	.40	.44
No	59.00	34.00	Royalite	14	40.00	40.00	38.00	40.00
No	2.00	.45	Southwest Pete.	100	.70	.70	.70	.70
1	.75	.25	Spooner	4,500	.29	.30	.30	.30
No	.72	.16½	United	11,250	.26	.30	.26	.30
No	.38	.05	Vanalta	2,400	.09½	.10	.08½	.10
1	3.05	.95	Vulcan	......	(1.25 bid	1.30 asked)		

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

June 8, 1937

Public Utility Issues:	Int. Rate %	Due	Bid June 1	Asked	Bid June 8
†Assoc. Tel. & T.	5½	'55	83½	86½	83½
▲Avalon Tel.	5½	'48	101½	...	101½
Beauharnois P.	5½	'73	55	58	55
‡Bell Telephone.	5	'55	113½	116½	113½
‡Do.	5	'57	118½	121½	118½
B. C. Power	4½	'60	96	99	95
B. C. Tele.	4½	'61	104	107	104
‡Calgary Pwr.	5	'60	95½	98½	96
‡Do.	5	'64	95	98	95
†Can. Nor. Pwr.	5	'53	102½	105½	102½
‡Dom. Gas & El.	6½	'45	90½	93½	90½
‡Gatineau Power	5	'56	101	104	100½
‡Do., A	6	'41	101	104	100½
‡Do., B	6	'41	101	104	100½
Gt. Lakes Pwr.	4½	'56	92	95	92
‡Inter. Hydro-El.	6	'44	76½	79½	73½
‡Inter. Power	6	'57	97½	100½	97½
‡Do.	6½	'57	99½	102½	100
▲Do.	6	'55	100½	103½	100½
†Macl-Que. Pwr.	5½	'61	97½	100½	97½
†Do.	5½	'64	96	99	96½
†Mtl. Island Pr.	5½	'57	102½	105½	103
†Mtl. L., H. & Pr.	3½	'56	98	101	98
†Mtl. Tramways	5	'41	99½	102½	100
†Do	5	'55	76	79	77
Nfld. L. & P.	4½	'56	99	102	98½
Nat'l. L. & P.	6	'49	95½	98½	96
N. S. L. & P.	4	'57	98	101	98
†Ottawa L.H.&P.	5	'57	105½	...	105½
†Ottawa Traction	5½	'55	104	...	104
†Ottawa Val. Pr.	5½	'70	104	107	104
†Power Corp.	4½	'59	98	101	98½
‡Quebec Power	5	'68	103½	106½	103½
Saguenay Pr., B	4½	'66	102	105	101½
*Do., A	4½	'66	100½	103½	100
†Shaw. W. & Pr.	4	'61	97	100	98½
†Do.	4½	'70	102	105	101½
†United Secs.	5½	52	73½	76½	71
†West. Pwr. Co.	5	'49	104	107	104
‡Winnipeg Elec.	4½	'60	104	...	104
‡Do., A	4	'65	75	78	74½
‡Do., B	4	'65	62	65	62
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	99	102	98½
Acadia Sugar	4½	'55	100	103	100
†Alta. Pac. Grain	6	'46	97½	100½	99½
Asbestos Corp.	5	'42	101	...	101
B. A. Oil	4	'45	102½	105½	102
Canada Bread	6½	'41	107	110	107
†Canada Cement	4½	'51	102½	...	102½
†Canada Paper	4½	'52	96½	99½	96½
Can. Steamship	6	'41	66	69	66
Can. Canners	4	'51	98½	101½	98½
Can. Bakeries	6½	'45	100½	...	100½
‡Can. Inter. Pap.	6	'49	101	104	100½
C. P. R.	3½	'51	99½	102½	99½
Do.	4	'49	103	106	102½
Do.	4½	'44	101½	104½	102
Do.	4 Perp.		93¾	94¾	94½
†Can. Vickers	6	'47	95½	98½	94½
†Consol. Paper	5½	'61	91½	94½	90
‡Dominion Coal	6	'55	101	104	101
Dom. Sq. Corp.	6	'48	72	75	71
▲Dom. Stl. & C.	6½	'55	105	108	105
Dom. Tar	4½	'51	99½	102½	100
Dom. Textile	4½	'56	105	108	105
†Donnacona P.	4½	'56	85½	88½	85
†Famous Players	4½	'51	96	99	96
†Federal Grain	6	'49	100	103	100
†Fraser Cos.	6	'50	103½	106½	103
†Gen. Stl. Wares	6	'52	95	98	95
Great Lakes P.	5	'55	94	97	94
†Gypsum, L & A	5½	'48	101½	104½	101½
†Gr. Br. & Can. Invest.	4½	'59	87	90	87
Hamilton Cot.	5½	'48	103	...	103
Ham. By-Prod. Coke	5	'55	99½	102½	98½
Do.	6	'56	98½	101½	98½
†Inter. Paper	6	'55	98	101	97½
†Inter. P. & P. Nfld.	5	'68	102½	105½	101½
Inter City Bak.	5½	'48	103½	106½	103½
Inter-City West. Bakeries	6½	'50	53	56	54½
†Kingston Elev.	6	'50	98½	101½	98½
Lake St. John P. & P.	5½	'61	100½	103½	100½
Do.	5	'61	83½	86½	79½
†Lond. Can. Inv.	4½	'48	93	96	92½
†Massey-Harris	5	'47	96½	99½	97
†McColl.-Front.	6	'49	99	102	99
†Mersey Paper	6	'49	101½	104½	101½
‡M. & O. Paper	6	'45	70	73	70
Nat'l Grocers	4	'47	100	103	100
†N. A. Elevators	6	'50	96½	99½	96
Nor. Ont. Bldg.	6½	'39	98	101	98
†Price Bros.	5	'57	99	102	99
‡Prov. Paper	5½	'47	102	105	102
Queen's Hotel	6	'47	100	...	100
‡Reliance Grain	4½	'52	97½	100½	97½
†Restigouche Co.	6	'48	114	117	114
Rich. Bay Bldg.	6½	'47	100½	103½	100½
†Rolland Paper	4½	'51	103	...	102½
Ruddy & Co.	6½	'48	98	101	98
†Simpsons Ltd.	4½	'51	94	97	93
†Smith, Howard	4½	'51	102	105	102
†Steel of Canada	6	'40	110½	113½	110½
Sterling Coal	6	'40	94	97	94
*Twin City	5½	'52	79	82	78½
United Amuse.	6	'56	98½	101½	99
United Corp.	5	'53	98	101	98
Unit. Grain Gr.	5	'48	95	98	94½
Do.	5½	'49	96	99	96½
Union Gas	4½	'50	98	101	97½
Wabasso Cot.	4½	'51	95	98	95
†Western Grain	6½	'49	75	78	75
Windsor Hotel	6½	'43	81	83	80
Do.	6	'47	42	45	40
Zimmerknit	6	'51	100	103	100

‡Payable in Can. or U. S. †Payable in Can., U. S. or U. K. ▲Payable in Can. or U. K. *Payable in U. S. only.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

June 8, 1937

Industrial Stocks:	Bid	Asked
Acadia Sugar, pfd.	4.60	5.00
Acme Farmers Dairy, pfd.	49.00	54.00
Algoma Steel, com.	14.50	16.00
Do., pfd.	73.00	74.50
Andian Nat	49.00	49.75
Assoc. Tel. & Tel.	41.00	44.00
B. C. Pulp & Paper, pfd.	82.00	....
Do.,	23.00	....
Brandram-Henderson, com.	4.50	5.50
Do., pfd.	17.00	....
Burns & Co., A	12.25	14.00
Do., B	5.50	6.25
Can. Tube & Steel, 1st pfd.	76.00	78.00
Do., com.	8.50	10.00
Can. Wire & Cable, pfd.	112.00	115.00
Can. Airways	6.00	7.50
Can. Industries, A com.	238.00	....
Can. Ingersoll Rand	130.00	135.00
Can Western Lumber, com.	1.50	1.75
Chase, A. W., pfd. bonus	26.00	28.50
Claude Neon Gen. Adv., pf.	14.00	15.00
Conduits Nat., com.	5.00	5.80
Crescent Creamery, pfd.	36.00	39.00
Dom. Found. & Stl., new c.	36.00	38.00
Do., pfd.	97.00	100.00
Dominion Woollens, com.	.90	1.10
Do., pfd.	3.50	4.50
Dunlop Tire, pfd.	83.00	85.00
Federal Grain, com.	3.50	4.50
Do., pfd.	46.00	....
Goderich Elevator	7.00	8.00
Greening Wire, pfd.	105.50	106.50
Guelph Carpet, pfd.	105.50	107.00
Do., com.	25.00	....
Hayes Steel Prod., com.	12.00	14.00
Do., pfd.	8.00	9.00
Highland Dairy, com.	2.50	....
Lake St. John, com.	69.50	70.50
Lake Sulphite Pulp, com.	23.00	23.50
Loblaw's Inc. (U.S.) Units	75.00	....
McCormick's, com.	5.00	5.50
Do., pfd.	14.00	....
Morrison Brass, pfd. bonus	13.25	16.50
Mount Royal Hotel, pfd.	3.75	4.25
New Meth. Laund., pfd. bon.	92.00	96.00
Perfection Pete., pfd.	22.50	25.00
Provincial Paper, pfd.	106.75	107.75
Reliance Grain, pfd.	97.25	99.00
Rob. Cons. Cone	10.25	11.00
Ruddy, E. L., pfd.	35.00	38.50
Seal O Sac (Can.)	14.00	15.00
Silverwoods Dairies, pfd.	4.30	....
Standard Fuel, com.	6.00	7.00
Do., pfd.	100.00	103.00
Supertest Petroleum, B pfd.	26.25	28.00
Toronto Carpet, com.	52.00	....
Do., pfd	56.50	....
United Steel, A pfd.	20.00	22.00
Western Grain, pfd. bonus	10.50	11.50
Weston (Geo.) Foods (Eng.)	2.50	3.00
Wings Limited	.90	1.10
Trusts and Loan Stocks:		
Chartered Trust	95.00	....
Commercial Finance, c.	2.70	2.90
Guelph, Ont. Inv., par $50	50.00	53.00
London & West. Trust	55.00	57.00
Prudential Trust	5.00	6.00
Sterling Trust	41.00	
Traders Fin., A com.	22.00	23.75
Do., B pfd. bonus	96.00	100.00
Trusts & Guarantee	30.50	31.50
Insurance Stocks:		
Canada Life	534.00	545.00
Canadian Ins. shares	16.00	18.50
Confederation Life, 20% pd.	113.00	117.00
Dominion Fire	135.00	
Dom. of Can. Gen.	130.00	140.00
Empire Life 25% pd.	12.50	13.00
Federal Fire 25% pd.		
Great West Life	332.00	350.00
Guar. of N. A., fully pd.	300.00	320.00
Do., 20% pd.	55.00	
Imperial Life	350.00	365.00
Manufacturers Life	254.00	260.00
Monarch Life 10% pd.	25.00	
Sovereign Life, 25% pd.	16.00	17.50
Sun Life Assurance	645.00	660.00
Western Assurance, com.	51.25	54.00
Do., pfd.	40.00	43.00
Theatre Stocks:		
Allens Kingston, pfd.	64.00	71.00
Do., Parkdale, pfd.	65.00	
Do., St. Catharines, pfd.	62.00	....
Do., Tor. pfd. bonus com.	30.00	32.00
Loew's London, pfd.	2.00	2.75
Do., Toronto, pfd.	113.00	118.00
Mansfield Theatre, pfd.	30.00	33.50
Paramount Kitchener, pfd.	58.00	63.00
Do., Oshawa, pfd.	90.00	97.00
United Amusement, A	20.00	25.00
Do., B	20.00	23.00
Investment Trust Shares:		
Can. Gen. Invest.	10.25	10.50
Can. Investment Fund	4.50	4.85
Can. Investors Corp.	9.00	9.75
Cons. Div. Std. Sec. Units	23.00	24.00
Invest Found., pfd. bonus	61.00	63.00
Lon. Can. Invest., com.	4.50	5.10
Sec's Hold., pfd. bonus	22.00	24.00
United Corps., A	24.50	25.00
Do., B	24.00	25.00
Power Issues:		
Can. West. Nat. Gas, pfd.	90.25	92.00
Do., com.	27.50	....
Foreign Power Sec's., pfd.	11.00	12.75
Great Lakes Power, pfd.	99.00	100.50
Montreal Island Pwr., pfd.	20.00	22.00
New Brunswick Tel., com.	13.00	14.25
Inter. Util., $1.75 pfd.	16.00	17.00

Unlisted Mines

June 8, 1937

	Bid	Asked
Alliance	.01	.02
Alsbach	.04	.06
Ansel	.29	.31
Alden Gold	..	.12
Albany River	.28	.31
Algold	.30	.31
Am. Gold	..	.22
Armistace	.16	.18
Arno	.03	.04
Athona	.21	.23
Area	.03	.03½
Augite	.17	.20
Bailor	.03	.04
Bar Lar	.14	.16
Bathurst	.02	.03
Bidl'Maq	.14	.16
Big Long Lac	.02	.03½
Big Master	.05½	.07
Bilmac	.09	.11
Baldwin	.01¾	.02¼
Brengold	..	.10
Bousquet	.01½	.02
Cuniptau	.06½	.07½
Cald Bous.	..	.10
Cal. F. F.	.04¾	.05½
Can. Pan.	.12½	.13
Can. Kirk.	.02½	.03
Can'Laca	.01	.02
Casey Contact	.40	.43
Cen'cour	..	.22
Chas'Ville	1.50	1.65
Coin Lake	.11	.13
Condor O.	.04½	.05½
Cont. Kirk.	.30	.33
Cooke Lake	..	.35
Cres. Kirk.	.04½	.05
Dawson White	.14	.16
Dem. Cad.	.14	.16
Dennison N.	.15	.18
Doreva	.45	.48
Del Porc.	.26	.30
Dunlop N.	.05	.06
El Bonamza	.09½	.11
Electra Porc.	.09	.11
Eva Lake	.10	.12
Elmos	.17	.20
Faulkenham	.30	.33
Fernland	.15	.18
Fleming	.22	.25
Franklin	.01¾	.02¼
Frontier	.15	.17
Garnet	.02½	.03½
Gateway Pat.	.06	.08
Gilbec	.02½	.03
Goldside	.05	.08
Gold Gate	.48	.49
Gor. Lebel	.03	.05
Hudson Pat.	.04	.05
Hislop	.15	.17
Horseshoe	.02½	.03¾
Hutchinson Lake	.13	.15
Hugh P. I.	.13	.15
John Nipigon	.04½	.05
Kaw Crow	.09	.11
Kenecho	.11	.13
Kenricia	.46	.53
King Kirk	.02½	.03
Kir. Vit.	.13	.15
Kirk. Hun.	.02	.03
Kirk Gate	.02½	.03½
Lafayette	.02½	.03
Lake Geneva	..	..
Lamaque	7.25	7.50
Lardego	.05	.06
Mal. Gold	..	.08
Martin McN.	.05	.06
Mart. Bird	.74	.78
Maritime	.07	.09
Moffatt N.	.03	.07½
McCarthy Webb	.24	.25
Monarch	.04½	.05½
Mooshla	.20	.22

Winnipeg Stocks

	Sales	High for period	Low for period	Close June 5
Cres. Cream., p.	5	37.00	37.00	37.00
D. Envelope, c.	50	3.12	3.12	3.12
Cryderman	1,000	.01¼	.01¼	.01¼
Flin Flon	7,400	.07	.06	.06
Gt. Falls M.	600	.08	.08	.08
Gurney Gold	1,350	.38	.34	.34
Globe Royalties	100	.18	.18	.18
Gold Lake	1,000	.02¼	.02¼	.02
Knee Lake	3,000	.02	.02	.02
Monarch G. M.	100	1.25	1.25	1.25
Ore Grande	14,000	.04	.03¼	.03¼
Packsack	1,100	.13	.13	.13
Rice Lake	100	.03	.03	.03
Sachigo	202	15.00	8.00	15.00
Star Lake	6,800	.02¼	.02	.02
United Grain	14	10.25	10.00	10.25
Wylie Dom.	5,500	.27	.25	.25
Wingold	6,000	.05	.04¼	.05
Wings, Ltd.	1,100	1.10	.98	.98
Wpg. R. Tin	9,000	.01¼	.01¼	.01¼

Stocks Not Traded in During Week*

	Bid	Asked
Beaver Fire Insurance	....	100
Can. Indemnity	125	
Dom. Envelope, pref.	93½	95½
Federal Grain, pfd.	42½	
Home Investment	20	25
Northern Can. Mtge., pf.	3	
North. Mtge., part pd.		2
Northern Trust		9½
Traders Bldg.	90	
Western Brew.	1¼	
West. Steel, pf.		13

*Stocks more active on other exchanges not included.

UNLISTED MINES—(Continued)

	Bid	Asked
Mosher	.33	.35
New Rouil.	..	.38
Norlake	.13	.14
North Shores	.02½	.03
Oklend	.16	.18
O'Leary	.08	.10
Oriole	.10	.12½
Ossian	.03½	.04½
Osoyoos	.45	.50
Pascalis	.29	.33
Porc. McNabb	.05	.06
Porc. Unit	.07	.10
Porc. Lake	..	.06
Porc. G. R.	.02½	.03½
Porc. Triumph	..	.17
Porc. Rouyn	.09	.11
Pelangio	..	.15
Planet	.16	.18
Que. Man.	.68	.72
Rajah	.26	.28
Richmac	.40	.43
Ribago	.03¼	.03¾
Roeanor	.12	.14
Rouyn Reward	.05	.06
Rubec	.03	.03½
Sand River	.25	.27
Schreiber	.15	.17
Shenango	.10	.12
Silver Valley	.09	.11
Skookum	.09	.10
Siscoe Ex.	.21	.23
Smelters	.02½	.03
Spooner	.16	.19
Sturgeon River	.20	.22
Springer	.11	.13
Sun Bear	.25	.27
Tonawanda	.70	.73
Uchi Lake	.15	.17
Upper Can.	.52	.55
Wascana	.13	.15
Williamson	.12	.13
Wesley	.07	.08
Westside	.07	.07½
West R. L.	.04½	.05
White Horse	.14	.16
Woco	.10	.12
Ypres Cad.	.07	.09
Wendigo	.09	.11
Winoga	.09	.11
Young D.	.15	.17

Oblivion Threatens Tories Unless Crisis is Met

(Continued from page 1)

ing the Canadian ship of state safely through the most disastrous economic storm that modern times have known. And so the Conservative Government arrived on the eve of the 1935 election without having prepared the ground politically for its appeal to the people. The situation, so far as re-election was concerned, appeared hopeless. There were two alternatives.

Choice of Methods

One was to recognize the hopelessness of the outlook and the imminence of defeat, and to meet the final session of the House with a bold programme for dealing with the railway situation and financial problem, thus placing the Conservative party in a strong position to win the judgment of history, even if it lost the immediate support of the electors.

The other alternative was to attempt to change what was apparently a hopeless situation by a spectacular, demagogic, "New Deal" appeal.

Mr. Bennett is understood to have taken the view that, in the existing state of uncertainty—which the break with Hon. H. H. Stevens had served to aggravate—the Government's nominal majority of 30 in the Commons would be insufficient to guarantee the passage of any drastic railway or financial measure. The only possibility which he discerned of carrying out such a course was by Union Government. He thoroughly canvassed that situation, even to the point of volunteering his own willingness to leave public life, if such action on his part would facilitate a coalition. However, it became evident that the project was not feasible.

Grasped at New Deal

Then it was that Mr. Bennett—to win the election if possible—accepted the reform programme. "New Deal" psychology had been sweeping the United States. Why should it not similarly sweep Canada? The general view of the reform programme which Federal political circles hold—especially since its abject failure—is that it was pretty shoddy material. Few believe that it deserved to succeed, or that the judgment of the Canadian people in rejecting it at the polls was other than sound.

There are on Parliament Hill those who rank Mr. Bennett as the preeminent campaigner among the country's statesmen, who regard his patriotism as tested and his brilliant ability as unquestioned. They frankly consider that the Tories are making a poor showing of themselves when they lose confidence in the Bennett leadership because of what happened in 1935.

The most recent word which is travelling in circles closest to Mr. Bennett is that the Conservative party is to have the opportunity, after all, of retaining its present leader's services. The only interview which Mr. Bennett has given on the subject since he arrived in England—obtained by Andrew Hamilton, London correspondent of the Windsor Star—has been to the effect that the physicians whom he has consulted so far have given him a certificate of physical fitness.

Leadership Material

But if Mr. Bennett should not prove to be available, should adhere to his intimated desire to retire, to whom can the Conservative party turn to serve acceptably as leader?

Among all the candidates there are two outstanding ones. The first is M. A. MacPherson, K.C., former Attorney-General of Saskatchewan and member of the Anderson Government there. A Cape Breton Scotsman, Major MacPherson is as well and favorably known in the Maritimes as he is across the Prairies, where his following is of the character which deserves the adjective "unique." A man who combines integrity with sound judgment and ability, who possesses a glamorous war record and a pleasing platform personality — surely there must be a "catch" somewhere!

Nova Scotia's Harrington

The other individual whom Parliament Hill concedes to be of calibre for the position is Hon. Gordon S. Harrington, former Premier of Nova Scotia and at present engaged in a campaign to unseat the Liberal Government there. If Mr. Harrington wins on the 29th of this month, the likelihood is that a large section of the Conservative party will concede him a call upon the Federal leadership in the event of Mr. Bennett's retirement.

That Mr. Harrington has the potentialities of a Federal leader must be freely admitted. As compared with Major MacPherson, he suffers the handicap of being comparatively unknown outside the Maritimes. On the score of ability, however, he qualifies in outstanding degree. He is fundamentally a thinker, and belongs to the school of liberally minded Conservatives.

On the platform he is an impressive figure and in his private relations he has a saving strain of humor which make him attractive company. He is earnest in his desire to serve the people and his record of administration, while in office in Nova Scotia was an excellent one. Altogether, the Conservative party could do a lot worse than select Harrington, especially if the prestige of a provincial success were newly attached to him.

What About Herridge?

It is impossible to discuss the subject without at least mentioning Hon. W. D. Herridge. Probably no question is commoner whenever the leadership issue is raised than the query: "Where does Herridge stand?"

The answer is not difficult to give. Mr. Herridge, at the moment, does not stand at all within the list of possibilities. The fact that he is Mr. Bennett's brother-in-law and that there would be consequent suspicion of nepotism in his selection, is not his greatest handicap.

Runners-up

First and foremost among other candidates, there is Hon. J. Earl Lawson, who became Minister of National Revenue as well as Conservative organizer in the closing days of the Bennett régime. No one on Parliament Hill will deny that Hon. Earl is one of the bright and active minds of the House of Commons. Furthermore, having come up through the ranks in politics as it is played among Toronto and York County Conservatives, he is entitled to class himself as self-made—and to be reasonably proud of the job. He makes a good speech, both in and out of Parliament. And his manner is conciliatory and pleasing.

Unquestionably Hon. Earl has a lot of what leadership takes. But in spite of that, Parliament Hill would not regard him as a possible selection for the post of Tory chieftain. For one thing, he is not nationally known. Furthermore, the fact that the campaign with which he was associated was the greatest failure in Conservative party history is regarded as an all-time barrier against any political magic becoming associated with his name.

Dr. Manion

There is also Hon. Dr. R. J. Manion, who stood in fourth place at the great National Conservative Convention in Winnipeg in 1927. Has he grown to leadership stature in the intervening 10 years? If he has, he should be a formidable candidate, for there is much of that intangible quality known as "color" about the Doctor which stands a political chieftain in such good stead.

Unfortunately, however, Federal opinion, high as it values Dr. Manion, does not believe that he has grown to leadership status.

Beau Brummel Aspires

And, occasionally, the name of Mr. Denton Massey, M.P., comes in for mention. If appearance were a vital factor, he might qualify on Miss Agnes Macphail's selection of him as the handsomest man in Parliament. Furthermore, he has the wardrobe that the position demands.

Other qualities that he has to supplement his appearance and wardrobe have won him much encouragement from youth but he is yet far from winning national support as an aspirant for leadership.

Policy Problems

So much space has been devoted to the leadership aspect of Conservative fortunes, that the Parliament Hill view of the policy situation which the Tories face can only be briefly given.

In the first place there are many Tories who feel they should forget, for the time being, the party's high tariff mission. The reason is that, at the moment, tariffs do not constitute the vital question confronting either Canadian industry or the country as a whole. The "New Deal" in the United States and the progress of social legislation in Great Britain have so operated to increase industrial costs in these countries that no longer is the same measure of protection essential for the industry of the Dominion to survive in competition.

In the second place, it is strongly believed among Federal observers that the Conservative party will only recover its vital appeal for the electorate when it adopts a vital attitude upon the pressing problems which confront the Dominion. Mainly these centre about the railways, Federal finances, and relief.

The thought is growing on Parliament Hill that the party which first undertakes to become a "Taxpayers' Party" will find a huge body of public sentiment waiting to support it. New deals are going out of fashion. The futility of so-called currency and credit reform is being demonstrated. Gradually the public is appreciating the absurdity of the delusion that manipulation of a printing press can make it yield food, warmth, or clothing—or anything other than just printing.

Will the Conservative party awake to the call for statesmanship in time to meet the challenge? The history of the party in the past is one of arising to meet emergencies.

The difficulty is that, strange as it may seem, the Conservative Parliamentary group seems to have only the vaguest appreciation of the forces which overwhelmed the party in 1935. That it was the sound common sense of the Canadian people rejecting a programme of shoddiness and insincerity is not recognized.

The reason is not difficult to understand. Except for a few old-timers such as Mr. Bennett himself, Sir George Perley, and Hon. C. H. Cahan, who won personal victories, the others were elected on the so-called Reform Programme.

Parliament Hill considers, however, that the lesson of 1935 to the Conservative party should be plain, namely: to eschew demagoguery and to appeal once again to the thinking electorate. Already evidence of the need for the party is being cited as plain, and as increasing daily.

There is every indication that Hon. Charles Dunning, as Finance Minister, is finding it impossible to secure from the loosely knit Liberal party, with its admixture of currency reformers and tariff extremists, the support that he needs for the financial policies which the state of the treasury demands. Although the country is now in its fifth year of economic recovery, treasury deficits still continue to run in the neighborhood of $90 millions. The total bonded indebtedness of the country, provincial and municipal borrowings included, is now over seven billions of dollars.

Obviously the situation is one calling for action in no uncertain terms. As for leadership, Parliament Hill does not doubt Mr. Bennett's ability to afford the latter if he wishes. And the view is strongly held that an insistent summons is ringing out for a strong, resolute Conservative party to advocate essential statesmanship, whether it does so from the Opposition or Treasury benches.

Government Bonds

Dominion of Canada Bonds

June 9, 1937		Bid	Ask.	Approx. Yld.
2	15 Nov. '39	101.25	101.75	1.26
2½	15 Oct. '39	102.25	102.75	1.30
4	15 Oct. '39	105.75	106.25	1.26
1½	1 June '40	100.00	100.50	1.33
4½	1 Sept. '40	108.25	108.75	1.72
1	15 Mar. '41	97.85	98.35	1.46
5	15 Nov. '41	111.15	111.65	2.24
3	15 Oct. '42	103.65	104.15	2.17
2½	1 June '43	101.00	101.50	2.24
5	15 Oct. '43	112.15	112.65	2.82
4½	15 Oct. '44	110.15	110.65	2.90
▪2½	15 Aug. '45	98.85	99.35	2.58
4	15 Oct. '45	106.65	107.15	▲2.77
4½	1 Feb. '46	110.00	110.50	3.11
3¾	1 June '49	99.75	100.25	3.22
3½	15 Oct. '49	102.25	102.75	▲3.08
4	15 Oct. '52	106.15	106.65	▲3.25
3	1 June '55	96.00	96.50	3.26
4½	1 Nov. '56	109.00	109.50	▲3.32
4½	1 Nov. '57	109.10	109.60	▲3.40
4½	1 Nov. '58	109.65	110.15	▲3.42
4½	1 Nov. '59	109.85	110.35	▲3.47
▪3¼	15 Jan. '61	99.00	99.50	3.28
3¼	1 June '66	96.65	97.15	3.40
‡3	Perp. bds.	87.00	87.50	3.43

Dominion Guaranteed Bonds

Canadian National Railway:				
3	1 May '44	101.50	102.50	[illegible]
3	15 Dec. '50	95.75	96.75	[illegible]
3	15 Feb. '53	94.75	95.75	[illegible]
*4½	1 Sept. '51	112.75	113.75	3.30
*4½	1 Feb. '56	113.00	114.00	3.48
†4½	1 July '57	112.00	113.00	3.58
*4¾	15 June '55	115.25	116.25	3.52
5	1 Feb. '54	115.75	116.75	3.66
*5	1 July '69	115.75	116.75	▲3.00
*5	1 Oct. '69	117.75	118.75	▲3.46

Provincial Government Bonds

New Brunswick:				
4	1 Sept. '54	100.00	101.50	3.88
†4½	15 Apr. '61	104.75	106.50	4.07
†5	15 Jan. '60	110.00	112.00	4.18
Nova Scotia:				
3	2 Sept. '45	96.50	98.50	3.20
4½	15 May '43	106.00	107.50	3.13
†4½	15 Sept. '52	107.25	108.50	▲3.52
†5	1 Mar. '60	114.00	115.50	3.97
Ontario:				
3	1 Dec. '51	95.00	96.00	3.35
*4	1 June '62	106.00	107.50	3.55
4½	1 June '50	109.75	110.75	3.46
*4½	15 Jan. '62	114.00	115.50	3.55
5	15 Oct. '48	113.75	114.75	3.43
*5	2 Dec. '60	118.00	119.50	3.75
5½	1 July '46	116.00	117.00	3.30
Ont. Hydro Comm.:				
3½	1 Apr. '47	101.50	102.50	3.20
4¾	1 Jan. '70	114.75	116.75	3.85
Prince Edward Island:				
3	1 Oct. '45	96.50	98.50	3.20
Quebec:				
4	15 Mar. '52	104.50	106.00	3.48
4¼	1 Aug. '58	108.50	109.50	3.61
4½	2 Jan. '63	110.50	112.00	3.77
Alberta:				
4	15 Dec. '54	59.00	61.00	§
†4	1 Dec. '57	59.00	61.00	§
4½	1 Oct. '51	69.00	71.50	§
†4½	1 Oct. '56	60.50	61.75	§
†5	1 Jan. '48	62.25	64.00	§
5	1 Sept. '55	62.25	64.00	§
*5	1 Oct. '59	62.25	64.00	§
†5½	1 Jan. '47	64.00	65.00	§
6	1 Mar. '47	66.50	68.00	§
British Columbia:				
†4	1 Dec. '57	91.75	92.75	4.55
*4½	15 Jan. '51	98.25	99.00	4.60
†4½	1 Oct. '53	97.00	98.00	4.67
†5	15 Jan. '48	100.25	101.00	4.87
5	1 Sept. '53	100.00	101.00	4.91
5½	1 Feb. '45	101.75	102.75	5.06
6	15 Feb. '47	103.25	104.25	5.43
Manitoba:				
4	2 Jan. '50	86.00	87.00	5.42
†4	1 Dec. '57	87.00	88.00	4.94
†4½	15 Dec. '56	90.00	91.00	5.28
†5	15 June '54	93.00	95.00	5.45
*5	2 Dec. '59	94.00	96.00	5.31
5½	1 Oct. '55	94.50	96.00	5.85
6	1 Apr. '47	97.50	98.75	6.17
Saskatchewan:				
4	15 Aug. '53	75.50	77.00	6.25
4	1 Nov. '60	74.00	75.50	5.95
*4½	2 July '45	87.50	89.00	6.27
†4½	1 Oct. '51	89.00	90.50	5.45
†4½	15 Mar. '60	81.00	83.00	5.85
5	1 Aug. '58	85.50	86.50	6.14
†5½	15 Nov. '46	89.00	91.00	6.80
5½	1 Oct. '52	88.50	90.00	6.53
6	15 Mar. '52	91.00	93.00	6.75

*Payable Can., N.Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. ▪Payable N.Y. ‡Callable on or after Sept. 15, 1966 §Traded flat. Interest being paid at 50% of coupon rate; minimum rate 2%.

Municipal Bonds

June 8, 1937	Rate	Due	Bid	Ask.	Yld.
†Halifax	5	1961	110.00	112.00	4.20
Hamilton	5	1950	110.50	112.50	3.80
Montreal	5	1945	104.00	106.00	4.09
Ottawa	4½	1945	106.75	108.75	3.25
†Quebec	5	1959	101.00	103.00	4.77
Saint John	5	1950	107.00	109.00	4.12
†Toronto	4½	1955	110.00	112.50	3.54
†Vancouver	5	1950	88.00	93.00	5.78
Winnipeg	5	1944	97.00	101.00	4.83

†Payable Can. and N.Y.

Investment Trusts

	Bid	Asked
Can. Amer. Trust	4.50	4.70
Can. Invest. Fund	4.50	4.85
All Can Trustee	14.25	14.75
Trans-Canada	....	14.55
Grouped Income Ex. Coup.	6.34	6.95
Can. Equity	13.50	..
Can. Int. Tr., modified	6.00	6.50
Do., unmodified	5.50	6.00

Listed Bonds

Week Ended June 7, 1937

	Int. rate	Due	High	Low	Range 1937 High	Range 1937 Low
Mtl. L. H. & P. Debs.	3	'39	50¼	45	50¾	50¼

Silverwood Dairies, Limited

AND ITS SUBSIDIARIES

Consolidated Balance Sheet

AS AT 3rd APRIL, 1937

ASSETS

Current:			
Cash on hand and in banks			$ 96,607.83
Bonds issued or guaranteed by the Ontario Government at book value including accrued interest (Market value $95,299.65)			96,299.65
Accounts and notes receivable less reserves			224,952.55
Sundry receivables			18,700.00
Inventories (including stores and supplies) as determined and certified by the management and valued at the lower of cost or market			293,180.88
Life insurance including $545,000 on company executives — cash surrender value			86,103.00
			$ 815,843.91
Mortgages Receivable and Sundry Investments			5,358.24
Capital Assets:			
At replacement values as appraised in 1930 to 1933 with subsequent additions at cost:			
Land		$ 315,314.50	
Buildings	$1,855,573.48		
Machinery and equipment	1,776,264.55		
Containers and other floating equipment	253,308.85		
Bottles in trade	18,440.27		
Iceless cabinets	927,360.59		
Trucks and automobiles	229,837.61		
Horses	47,583.35		
Wagons and stable equipment	113,067.13		
Office, store and branch equipment	101,465.21	5,322,901.04	5,638,215.54
Deferred:			
Prepaid expenses		$ 62,110.97	
Cream top bottle patent license less amounts written off		40,000.00	102,110.97
			$6,561,528.66

LIABILITIES

Current:			
Accounts payable and accrued charges			$ 204,616.74
Accounts payable milk and cream patrons			157,784.68
Reserve for dominion income and provincial corporation taxes			39,150.00
Interest accrued on bonds, debentures and mortgages			17,887.67
			$ 419,439.09
Deferred Accounts Payable			20,926.36
Mortgages Payable		$ 17,100.00	
Mortgage Bonds of Subsidiary Companies		134,500.00	151,600.00
Secured by deposit in escrow of $170,000 First Closed and Refunding Mortgage Bonds as shown below.			
Reserve for Depreciation of Buildings, Plant and Other Capital Assets			2,437,292.76
First Closed and Refunding Mortgage 5% Serial Bonds			
Authorized $1,500,000.00			
Issued Series "A"		$1,200,000.00	
Less:			
Deposited with Trustee as security for underlying mortgages and bonds of $151,600	$ 170,000.00		
Held by Trustee for redemption	70,000.00	240,000.00	960,000.00
Six Per Cent Registered Sinking Fund Debentures Due 1st April 1966:			
Authorized and issued or to be issued			1,450,000.00
Capital:			
Preferred: Authorized and issued or to be issued—145,000 cumulative participating preference shares—no par value (redeemable at $15 per share—liquidation value $13 per share—dividend rate 40 cents per share per annum) (Dividends in arrears, 40 cents per share)		$ 725,000.00	
Common: Authorized, 1,000,000 shares of no par value. Issued or to be issued 176,598 shares. Entitled to cumulative dividend of 40 cents per share per annum after 40 cents per share cumulative to preference shares and thereafter participating rateably with preference shares.		265,000.00	
		990,000.00	
Earned Surplus		132,270.45	1,122,270.45
Contingent Liabilities:			
Guarantee given in connection with the performance of certain contracts for purchase of 12,250 common shares for $245,000 during years 1938-1944.			
			$6,561,528.66

(*President A. E. Silverwood's Letter*)

Silverwood Dairies, Limited

TO OUR SHAREHOLDERS: London, Ont., June 7th, 1937.

The Annual Report of the Company for the year ending April 3rd, 1937, is herewith submitted. With this Report you will find Balance Sheet showing Assets and Liabilities, Trading and Profit and Loss Account, also Surplus Account.

This is the first report since the consolidation of our twenty-four operating companies. The benefits from the consolidation and refinancing began to accrue from the latter part of August. The result of this refinancing was to put the Company in splendid shape from a working capital position and to effect many savings. These savings will be further reflected in this and succeeding years.

Volume of Business.—You will be interested in noting from the following table that using the same basis of calculation, our sales for last year show an increase of over 10%. If you follow the comparison through, you will see that we have an actual improvement in our net earnings — last year we had a net profit of $101,653.90 — this year, including debenture interest paid to former holders of Preference Shares, our profit is $159,780.17. In this table, we have also included a new setup based on the actual sales to the public, all inter-branch sales deleted. This will be the basis for future comparison.

	Year Ending 28th March 1936 (Inter-Branch Sales Included)			Year Ending 3rd April 1937 (Inter-Branch Sales Included)			Year Ending 3rd April 1937 (Inter-Branch Sales Eliminated)		
			%			%			%
Sales (including Inter-Company Sales)		$7,348,473.46	100.		$8,181,887.66	100.		$6,714,016.74	100.
Less: Cost of Materials	$4,451,136.32		60.58	$5,140,358.02		62.82	$3,672,487.10		54.69
Prod. Wages & Direct Exp.	1,900,949.77		25.87	1,988,964.00		24.31	1,988,964.00		29.63
Prov. for Depreciation	264,142.37		3.60	250,952.00		3.07	250,952.00		3.74
		6,616,230.46	90.05		7,380,274.02	90.20		5,912,403.10	88.06
Gross Profit on Sales		$ 732,243.00	9.95		$ 801,613.64	9.80		$ 801,613.64	11.94
Iceless Cabinet Rentals and Other Revenue		50,618.18	.69		52,416.46	.64		52,416.46	.78
Gross Trading Profit		$ 782,861.18	10.64		$ 854,030.10	10.44		854,030.10	12.72
Less: Management Fee, Administration and Indirect Exp.		572,170.37	7.78		604,627.96	7.39		604,627.96	7.39
		$ 210,690.81	2.86		$ 249,402.14	3.05		249,402.14	3.72
Less: Amortization of Patent License	10,000.00		.13	10,000.00		.12	10,000.00		.15
Int. on Deb. and Mortgages	55,918.77		.76	55,925.97		.69	55,925.97		.83
Prov. for Dom. Inc. Taxes	33,922.24		.46	16,650.00		.20	16,650.00		.25
Prov. for Prov. Corp. Taxes	9,195.90		.13	7,046.00		.09	7,046.00		.11
		109,036.91	1.48		89,621.97	1.10		89,621.97	1.34
		$ 101,653.90	1.38		$ 159,780.17	1.95		159,780.17	2.38
				Interest on New Debs.	87,000.00	1.06	Interest on New Debentures	87,000.00	1.30
Net Profit for Year		101,653.90	1.38		$ 72,780.17	.89		72,780.17	1.08

Earnings.—We would especially direct your attention to the improvement in earnings as compared with the previous year. These improved earnings are after providing for all taxes, including an increase of $30,000 in Sales Tax. These taxes have become so burdensome as to be almost confiscatory and therefore I am treating the matter of taxes in greater detail. During this year there has been no deviation from our policy of maintaining our plants and equipment in splendid shape, and we have followed the usual procedure of satisfactorily providing for depreciation. The reserve for same now stands on our books at $2,437,292.76, which you will see is rapidly approaching fifty per cent of the entire fixed assets, exclusive of Land.

Taxes.—It is hardly necessary to point out that during recent years many taxes have increased from fifty to one hundred percent. In this connection, our business is no exception, but unfortunately, there are one or two taxes that have hit us particularly hard. Let me point out here that in 1929 the Dominion Income Tax was 8%, with an exemption of $2,000 each on our then existing twenty-five companies. For four years now the exemption has been cancelled, and this year we are paying the Federal Government 15% on our net profits. This tax, therefore, has increased over 100% in the last seven years.

Turning next to Provincial Tax, prior to 1933, we had no Provincial Corporation or Profits Tax. Since that time, we have provided or paid out to the Provincial Government over $50,000.

Sales Tax—This tax has hit our Company harder than any other tax, and just to inform you how this has affected us, we are indicating the rate at which it has been assessed:

1930, May 2nd to June 1st, 1931	1%	1932, April 7th to May 1st, 1936, incl.	6%
1931, June 2nd to April 6th, 1932	4%	1936, May 2nd to date	8%

FROM APRIL 7th, 1932, WE HAVE PAID SALES TAX OF FROM 6% to 8% ON ICE CREAM.

The net result of this is that in 1930 we paid 1% on purchases of all supplies used by our Companies, with the tax costing us approximately $5,000. In the year just closed, we have paid 8% on all supplies purchased, together with 8% on all sales of Ice Cream, making a total of nearly $100,000, or a net increase of approximately $95,000, or 1900%. Now, forgetting municipal tax, gasoline tax, excise tax, sugar tax, and other taxes that could be named, and thinking only of the increase in Federal Income Tax of 100%, the Provincial Corporation Tax, and the increase in Sales Tax, you, as shareholders, can see something of the burden your Company has had to bear, and in reality your interests have been placed in a **secondary** position. As a matter of fact, the increase in these three taxes alone represents one and a half times as much as the amount that is left to the credit of shareholders as a return on their investment of several million dollars. Surely we have reason to hope that the time is not far distant when there will be some redress on this basis of taxation.

Sales Tax on Ice Cream.—Just here we feel it in order to register a protest on this tax, as Ice Cream made by hotels, restaurants and individual concerns, to be consumed as food on the premises, is free of Sales Tax, whereas when we, as manufacturers, sell these same institutions for consumption as food, or sell the public generally, we are forced to remit to the government 8% on these sales. We have protested vigorously against this discrimination, and we are hopeful that sooner or later the protest of the ice cream manufacturers will be recognized and this tax eliminated.

Re Dividends.—At the time our refinancing was arranged last year, the Company covenanted that it would not pay dividends on the Preferred or Common Stock that would reduce the working capital below $300,000. Further, the Company covenanted that so long as any of the bonds remained outstanding it would not pay any dividends on the Preferred or Common Stock, if by this payment the surplus would be reduced below $100,000. It is interesting to note that the Company now has nearly $400,000 of working capital and has an earned surplus of over $130,000. If you will refer to the statement, you will note that dividends on the Preferred Stock are in arrears 40c per share. You will also note that the Common Stock is entitled to 40c per share per annum after the 40c per share cumulative to Preference Stock has been paid, and thereafter to participate rateably with the Preference Shares. We are hopeful that with improving business conditions our governments will shortly be able to lessen this heavy burden of taxation, and with this in mind we look forward to the future with confidence, with the knowledge that your interests are being safeguarded and that ultimately you will receive satisfactory returns on your investment.

Listing of Stock.—As part of our reorganization proposals, the Company is making application for the listing of its Capital Stock on the Toronto Stock Exchange.

We are continuing to consolidate and strengthen our position in the various territories that we serve, and I again want to pay tribute on behalf of myself and your Board of Directors to the Management and Employees alike for the splendid service rendered on behalf of the Company. The high quality of our Products is gaining increased recognition, and the measure of success that we have achieved has been largely the result of maintaining this high standard of quality and the splendid co-operation that has existed throughout our organization.

SILVERWOOD DAIRIES, LIMITED
A. E. Silverwood, President.

AES/LF.

TRADING AND PROFIT AND LOSS ACCOUNT

For the Year Ending 3rd April, 1937

Sales (after eliminating interbranch sales of $1,467,870.92)			$6,714,016.74
Less:			
Cost of materials		$3,672,487.10	
Productive wages and direct expenses including sales tax on ice cream		1,988,964.00	
Provision for depreciation		250,952.00	5,912,403.10
Gross profit on sales			$ 801,613.64
Iceless cabinet rentals and other income			52,416.46
			$ 854,030.10
Less management fee, administrative and indirect expenses			604,627.96
			$ 249,402.14
Less:			
Amortization of patent license		$ 10,000.00	
Interest on 5% First Mortgage Bonds	$ 26,947.82		
Interest on old 6% debentures, mortgages and mortgage bonds of subsidiaries	28,978.15	55,925.97	
Interest on 6% Debentures		87,000.00	
Provision for dominion income and provincial corporation taxes		23,696.00	176,621.97
Net profit for the year			$ 72,780.17

EARNED SURPLUS ACCOUNT

Surplus 28th March 1936		$ 81,871.23
Less:		
Dominion income and provincial corporation taxes re prior years	20,123.92	
Consolidation expenses less capital surplus	2,257.03	22,380.95
		$ 59,490.28
Net profit for the year		72,780.17
Surplus 3rd April 1937		$ 132,270.45

AUDITORS' REPORT TO THE SHAREHOLDERS

We have made an examination of the annexed consolidated balance sheet of Silverwood Dairies, Limited, and of the statements of the Toronto and London branches and have also made a general examination of the balance sheets and supporting data of the other twenty-one branches as prepared by the company's internal audit department but we did not make a detailed audit of the transactions for the year. Subject thereto, we report that in our opinion the attached consolidated balance sheet as at 3rd April 1937 is drawn up so as to exhibit a true and correct view of the state of affairs of Silverwood Dairies, Limited and its subsidiaries according to the best of our information and the explanations given us and as shown by the books of the company.

CLARKSON, GORDON, DILWORTH and NASH,
Chartered Accountants.

Toronto, Canada, 3rd June 1937.

OPERATING PLANTS LOCATED AT:

BRANTFORD (2)
CARGILL
CAYUGA
CHATHAM
ELMIRA
GUELPH
HAMILTON
KITCHENER
LONDON (3)
LUCKNOW
NORTH BAY
PETERBOROUGH
ST. CATHARINES
SARNIA
STRATFORD
SUDBURY
TORONTO (2)
WINDSOR
WOODSTOCK (2)

DIRECTORS

A. E. SILVERWOOD, London, *President*

W. E. ROBINSON, London, *Vice-President*
GEO. H. BELTON, London
W. H. CARRUTHERS, Toronto
J. H. DUPLAN, London, *General Manager*
J. H. GILLIES, London, *Secretary-Treasurer*
T. R. HARRISON, Toronto
R. G. IVEY, K.C., London
E. W. NESBITT, Woodstock
DR. L. E. POLLOCK, Toronto
E. K. REINER, Wellesley

Social Credit Factions Fail To Heal Split

Aberhart Expected to Risk Defeat Rather Than Compromise

HOUSE REOPENING

From Our Own Correspondent

EDMONTON.—When the Alberta Legislature meets next week the Social Credit Government will have G. F. Powell, representative of Major C. H. Douglas on hand as counsellor. The Legislature met as scheduled, last Monday, but after a one-day session adjourned to await Mr. Powell's arrival.

No plan of compromise in respect to the budget has been worked out, judging from a statement from Hon. Solon E. Low, provincial treasurer, who said the year's estimates would remain as introduced in the house, though he was prepared to allow minor amendments.

The budget, because it failed to take into account Social Credit principles, was the cause of rebellion in the party last March, when the rebels won the first engagement with the Government by forcing postponement of the budget vote. Supply voted at that time for three months will carry the province only to July 1.

Position Uncertain

Six and a half weeks of adjournment have not produced the clarification of party opinion that both factions, loyalists and insurgents, counted on. On the one hand, the party has not, on the whole, accepted the rebels' claim that Mr. Aberhart's leadership is defunct, nor has it swung wholeheartedly behind the Government.

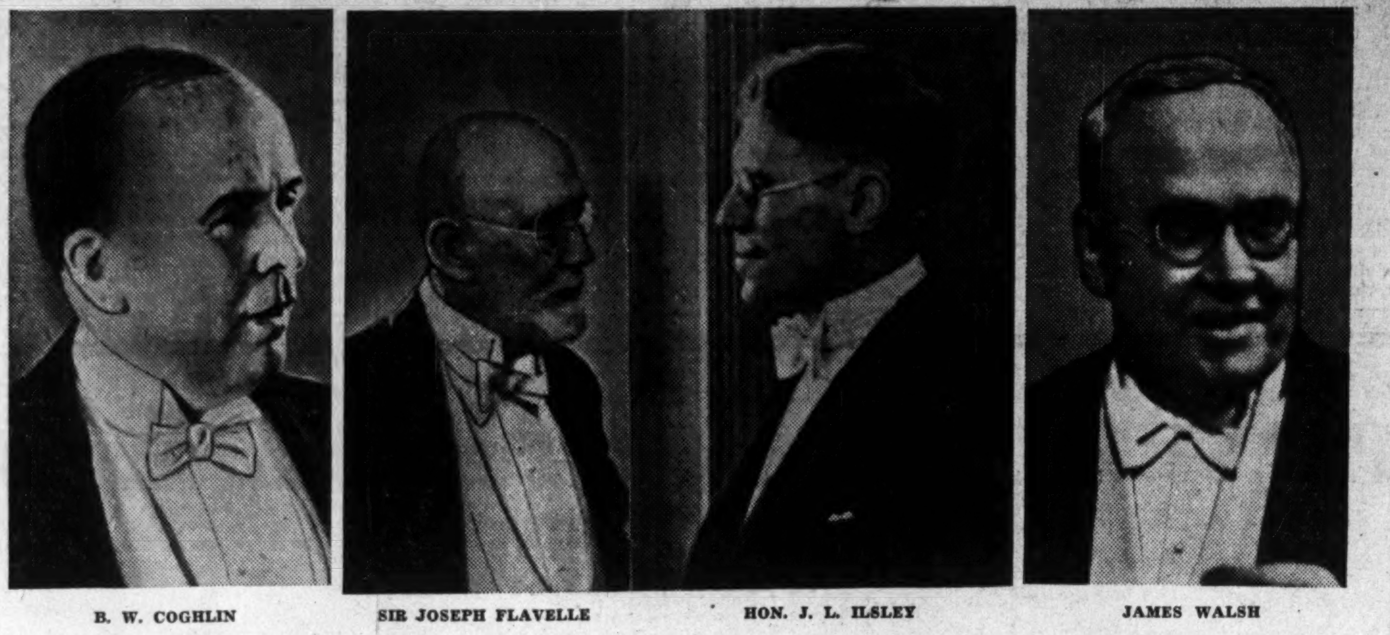
More realistic political heads in both factions see that a change of leadership cannot be postponed for long, if the party is to survive; but many shrink from the prospect of going on without Aberhart.

The notable feature of the past six weeks of campaigning by Government and anti-Aberhart factions has been the remaining unanimity of both sides on the validity of Social Credit theory. At the same time the weight of evidence indicates that Social Credit as a political movement is waning in Alberta, and the decline of Aberhartism is the chief underlying cause of party quarrel.

Douglas-Aberhart Feud

Behind a screen of calculated avowals of anxious good intentions to assist each other in establishing Social Credit in Alberta, Premier William Aberhart and Major C. H. Douglas are bitterly attempting to fasten the blame for Social Credit's debacle on the other. A recent exchange of opinions of each other, from Mr. Aberhart in his Edmonton citadel of authority, and from Major Douglas in his safe retreat in England, serves to bring up to date the acrimonious quarrel of the busy politician-prophet and the aloof author-philosopher whom strange fate and the tricks of Alberta politics cast in the leading rôles for Alberta's attempt to carve out an exclusive new system for herself.

The plainest appraisal of the Douglas-Aberhart exchanges over the course of two years is that mutual antagonisms and suspicions prevented them co-operating, and there is planty of evidence to suggest that Douglas wished to avoid the responsibility of actual practice in his preaching.



B. W. COGHLIN — SIR JOSEPH FLAVELLE — HON. J. L. ILSLEY — JAMES WALSH

CANDID CAMERA WITH C.M.A.

Leaders in Canadian industry gathered in Toronto last week at the annual meeting of the Canadian Manufacturers' Association. Photographs above were taken by The Financial Post staff photographer at the annual dinner which closed the conference. In the centre, Hon. J. L. Ilsley, Minister of National Revenue, is seen talking with Sir Joseph Flavelle. At the left is B. W. Coghlin, of Montreal, retiring president of the association, and at the right is James Walsh, general manager.

Sale is Pending Of Keefer Realty

Bonds Received by Trustee Approving Sale of Property

From Our Own Correspondent

MONTREAL. — Over $206,000 of 6½% first mortgage bonds of the Keefer Realty Corp. have been deposited with the trustee in connection with the proposed sale of the corporation's assets, according to a circular sent out to the bondholders by the protective committee. The amount required to permit completion of the deal, the net proceeds of which would be equivalent to 52½ cents on the dollar on the existing bonds, is $459,300 or 65% of the total outstanding.

In the event the transaction is not concluded, the committee reports that the company should be able to pay at least 2% interest next year. In any event, if a sufficient total is not deposited with the trustee to put the sale through, bonds will be returned to owners on July 1.

Aberhart Party Weakened By Social Credit Failures

From Our Own Correspondent

EDMONTON.—The failure of Social Credit's whole slate of candidates in the British Columbia election has delivered a heavy blow to the self-confidence of Alberta's Social Credit legislators.

Premier Aberhart, saying he was "a little disappointed," remarked that the B.C. Social Crediters had not made the effort they might have. Other Government leaders were silent.

At the same time the report that the Social Credit party in Manitoba is dead "politically," comes from R. Halliday Thompson, Winnipeg. Mr. Thompson first arrived in Alberta from England in 1936 as an observer, claiming to be the ambassador of the British Social Credit party. Failing to find acceptance for his offer to assist the Aberhart Government, he left and has resided since in Winnipeg.

"Social Credit is deal politically in Manitoba now," he said. The party elected five members in the 1936 Manitoba election, but since these members agreed to support the Bracken Government, Premier Aberhart has refused to recognize them.

Appeal is Lost On Debts Act

From Our Own Correspondent

EDMONTON.—Judgment of Mr. Justice Ewing declaring the Social Credit Government's Reduction and Settlement of Debts Act invalid, was upheld unanimously by five judges of the Alberta appeal court.

A heavy blow to the Government's debt cutting policies, the judgment was handed down on the eve of resumption of the sitting of the Legislature, where a new debt reduction measure is on the order paper.

Chem. Research Work on Plans

Tant Lawsuit Is Dismissed—Patents Ownership in Question

MONTREAL.—Affairs of Chemical Research Corp. are still involved and the management will not likely have anything definite to report to the shareholders in the immediate future.

The lawsuit instituted by Walter Tant, of Detroit, against the previous management of the company, the Patent Club and Alco Products Inc., has been dismissed.

No settlement has been reached in regard to the ownership of the polymerization patents. It may be necessary for Chemical Research to take a friendly action against the Pure Oil Co. for a court order to determine ownership of these patents.

Until this matter is straightened away, negotiations with the Patent Club are at a standstill. Chemical Research is endeavoring to obtain from the Club a revision of fees and royalties. These fees constitute the main income of the Gyro Process Co. which is the main source of income of Chemical Research Corp.

Last January it was intimated that important proposals from the Patent Club, now known as Gasoline Products Inc., were to be placed before shareholders at the annual meeting. However, in February the president stated that negotiations were still proceeding

Subsidies Sought For New Liners

Beatty Ready to Improve Trans-Pacific Steamship Service

From Our Own Correspondent

MONTREAL.—Canadian Australasian Line, in which the Canadian Pacific Railway holds a half interest, will place an order for two new liners for the service between Canada and the Antipodes if necessary financial guarantees are forthcoming from the Dominions concerned and the Imperial authorities, according to a statement issued by Sir Edward Beatty, now in England.

"I am anxious," Sir Edward said, "to see the representatives of the various Dominions to find out what they are going to do with regard to furnishing some sort of subsidy.

"If all is well, the plan is to put two liners of 22,000 tons with a speed of 22 knots, into service by the winter of 1939-40. We have got to build new tonnage or else lose an essential and vital link in Empire trade."

Need New Vessels

At the end of last year the Imperial Shipping Committee issued a report in which it was admitted the Canadian Australasian Line is not in a position to compete successfully with American-owned subsidized Matson Line in service or speed. The committee recommended to the Governments of the United Kingdom, Canada, Australia and New Zealand, construction of two new vessels comparable with existing Matson Line vessels at a total cost of about £2.5 millions.

Further the committee suggested that each ship should sail once a month on a schedule based somewhat on the following: from Vancouver and Victoria to San Francisco, Honolulu, Suva, Auckland, Sydney and Melbourne, returning via the same ports excluding San Francisco.

Rockwool Corp. Gets Custodian

E. G. Clarkson Appointed After Filing of Petition

As another step toward settling the affairs of Rockwool Corp. (Canada), E. G. Clarkson was appointed custodian after filing of a petition of bankruptcy which was allowed by the court on June 2, 1937. This petition was entered by ordinary creditors and holders of series B notes.

At the meeting of holders of 5% floating charge notes held June 4, 1937, the following committee was appointed to act on behalf of noteholders: J. R. Bates, Shelburne, Ont.; A. M. Dunn, N. C. Fergusson, F. W. Hill, F. S. Vanstone, Toronto.

Claims ranking ahead of noteholders include $40,000 owing to the Happy Thought Foundry Co. and $20,000 owing to the Industrial Realty Co., Brantford. The series B notes are junior to the 5% floating charge notes.

Prior Claims

Rockwool Corp. originally bought its factory building in Brantford from Happy Thought Foundry Co., giving as security $40,000 of 5% convertible notes secured by the factory buildings. The City of Brantford, through the Industrial Realty Co., advanced $20,000 to construct a power plant and received as security $20,000 of 5% convertible notes secured by the power plant building.

An interim balance sheet shows a total operating deficit of $109,875 for the period of operations from April 1, 1936, to May 19, 1937. Of total assets included in the balance sheet, amounting to $556,213, over one half are intangibles. Fixed assets are shown at $221,334 and current assets are $46,874.

Among the liabilities of Rockwool Corp. are accounts payable, most of which are unsecured, of $158,993. The 5% floating charge notes, including accrued interest, are listed at $121,148 and the series B unsecured notes at $60,101.

Brown Co. Profits Jump

Earnings Rapidly Return to Normal — Plan Expected Before Long

From Our Own Correspondent

MONTREAL.—Brown Co., bankrupt enterprise operating pulp and paper mills in New Hampshire and Quebec, is experiencing a rapid return to normal earning power.

For the period from Nov. 30 to the middle of April, net earnings after full allowance for bond interest, depreciation and taxes, are reported at over $470,000 as against preferred dividends for the period of about $250,000.

During the five years ended with Nov. 30, 1936, earnings were not sufficient to cover fixed charges. During the past fiscal year, however, earnings available for bond interest, depreciation and depletion were in excess of $1.2 million compared with $454,000 in 1935.

Several years ago there was a direct investment interest in the company's Canadian subsidiary, Brown Corp. of La Tuque, P.Q. This interest was extinguished with the redemption of the securities by the parent company. Since then Canadians have become heavily interested in Brown Co. bonds. However, in 1935 the company found itself unable to meet interest charges and a petition was made to reorganize under National Bankruptcy Act. Lack of co-operation between security holders has delayed this reorganization.

The marked improvement in the company's operations and earning power has brought pressure to take the company out of receivership. In July last year Lee S. Buckingham, chairman of the first mortgage bondholders protective committee, stated that "if the company and its bankers would not reorganize the bondholders and other credits must take matters into their own hands." Since then there has been a greater measure of co-operation between the various interests and it is now anticipated that a reorganization plan will be formulated in the near future.

Dominion Rubber Co. Calls Bonds for October

From Our Own Correspondent

MONTREAL.—Dominion Rubber Co. announces its decision to redeem on October 1 next all outstanding bonds of the $2.6 millions issue of 6% collateral gold bonds, due October 1, 1946.

Several months ago the company officially called these bonds and then later cancelled the "call" because of the contingent liability in respect to payment in gold. Legislation has since been passed freeing the private corporation from the gold liability clause.

Royal Muskoka

GOLF.. on our sporty nine-hole watered course overlooking beautiful Lake Rosseau!

SWIM.. and dive and join the merry throng in doing all sorts of grand stunts that tune you up and keep you full of pep and make you laugh at your own funny antics!

OR IN.. between, take a whirl at deck-tennis, ping-pong, or the more sedate croquet!

SCUD.. along over foam-flecked waters in a speed boat or dinghy, taking a picnic lunch along to devour in some lovely little cove on a pine-clad island, making coffee over the open fire!

DANCE. each evening to LOREN CASSINA and his music—dreamy, romantic, illusive tunes that float out on the Summer night and keep feet gliding to their perfect rhythm!

LIVE — LAUGH — REST AND PLAY AT THE ROYAL MUSKOKA!

For reservations write, wire or phone the Manager, Room F, The Royal Muskoka, Lake Rosseau, Ontario, or communicate with City Information Office, 68 King St. West, Toronto, Elgin 2257.

BY MOTOR DIRECT TO HOTEL

North on Provincial Highway No. 11 to Gravenhurst 105 miles, then via Bala or Port Carling 40 miles direct to the Hotel, or, to Windermere, 30 miles north of Gravenhurst where you take the ferry on the hour to the hotel. Distance, 1½ miles. 1937 opening date June 26.

ACCOMMODATION:

170 outside rooms, all with hot and cold running water. 65 with private bath. Large tower bedrooms, spacious suites, furnished cottages.

Rates: American Plan—Weekly—Rooms with running water, Single $31.50 to $35.00; Double $29.75 to $31.50 each; Rooms with bath, Single $42.00 to $49.00; Double $35.00 to $52.50 each. Tower Rooms and Suites with bath, Double $56.00 each.

Daily rates—$4.50 to $9.00, according to room occupied and single or double. Children under ten years of age, half rate, where child occupies cot in room with parent or nurse.

Furnished Cottages with maid service and meals in Hotel by month or season.

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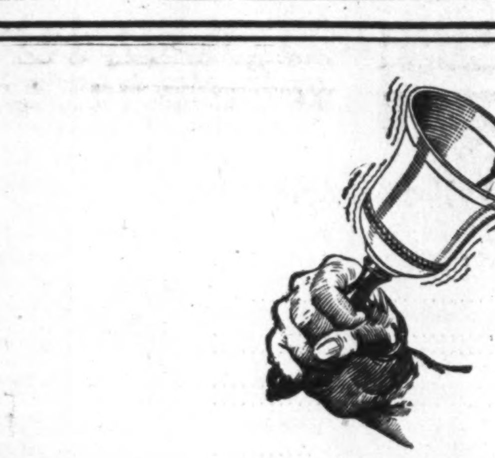

Propaganda
That Defeats Itself

If you believed all the propaganda you read, you would think of the Brewing Industry as the confessed and active foe of Temperance. However, the opposite is true.

For although we are in business, the fact that we contribute materially to the economic welfare of this Province and Dominion, surely accords us in a British community the right to state our side of the case.

The cause of True Temperance, or moderation, is the only conceivable policy for the brewers — and that for entirely obvious reasons. We share the same principal foe, the bootlegger — the same objections to hole-and-corner consumption — the same desire to foster respect for law and order.

We submit, therefore, that the folly of trying to make people sober by law has been so clearly demonstrated already, that no sane person could wish to try that experiment again.

We believe that a careful consideration of the facts will convince thinking people that much of the present propaganda against beverage rooms is definitely mischievous because, if successful, it would defeat the object of true temperance.

For true temperance can never go hand-in-hand with a policy that assists the bootlegger!

● *This advertisement is inserted by the Brewing Industry in the interest of a better public understanding of certain aspects of the problems of temperance and local option.*

IN THE LOCAL DAILY...

that's where their buying starts!

THE purchase of your product starts as the prospect reads your message in the Local Daily.

It's advertising in Local Dailies that moulds the purchasing policies of people in buying centres throughout the Province. People depend on local advertising to tell them what, and when, and where to buy.

National advertising, when it reaches the consumers through their own Local Daily, reaches them when they are most readily influenced by salesmanship-in-print. Thus, it is that advertising in Local Dailies gives the national advertiser a true point-of-sale contact. No other medium can give you the same direct sales response.

ONTARIO PROVINCIAL DAILIES

Belleville Ontario Intelligencer
Brantford Expositor
Brockville Recorder
Galt Reporter
Kingston Whig-Standard
Kitchener Record

Niagara Falls Review
Oshawa Times
Owen Sound Sun Times
Peterborough Examiner
St. Catharines Standard

St. Thomas Times-Journal
Sarnia Canadian Observer
Stratford Beacon-Herald
Timmins Press
Welland-Port Colborne Tribune
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THE FINANCIAL POST

Largest Circulation of All Canadian Financial Papers

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Newfoundland Charts A New Course

Island Is Key To Air Plan

Central Location on Shortest Feasible Air Route Between North America and Europe

From London to Montreal in little more than a day, on a regular schedule of at least two trips each week. Such is the vision, ridiculed not so many years ago, which those who should know claim will be a reality in the very near future.

Already a considerable amount of experimental work has been done in connection with the proposed north Atlantic air travel route. It seems assured that the project is practicable during a large part of the year. Giant flying boats will wing their way from London to New York, and from New York to London late this month, weather permitting. Their journey, along with experiments in weather forecasting and allied subjects, is expected to go far to providing the necessary information on which plans may take definite shape.

Whether or not, the north Atlantic route is, or can become, suitable for winter flights has not yet been determined. For a time, at least, it is probable that in winter months, transatlantic air travel will be restricted to the Bermuda route. It is believed by some that huge land planes may solve adverse winter weather conditions along the northern route, and perhaps in September, one of these will fly from London to Newfoundland to see just what can be accomplished.

Newfoundland Is the Key

Newfoundland is the key to the success of the project. Geographically, Newfoundland now occupies much the same position in regard to air travel which she did in respect to water in the early days of transatlantic navigation. She is situated between the old world and the new; is much closer Europe than any point in America. As a consequence, not only is Newfoundland vitally interested in the new air route, but the other countries which are included in the Northern route, Great Britain, Ireland and Canada, are also vitally interested in the results of the experiments which concern Newfoundland.

Indicative of the interest being taken in the project and of the faith held in it, a new airport is now under construction at Cobb's Camp, Newfoundland. It will cost about $2 Millions—five-sixths of the bill will be met by Great Britain and will rank with the finest in the world. The location, about 213 miles from St. John's by rail, is about 500 ft. above sea level, on a high, dry plateau. It was selected largely because it is "fog free."

There will be four runways at the port, three 1,500 yards long and 200 yards wide, one 1,600 yards long and 400 yards wide. The runways, with their solid rock foundation, will be capable of sustaining an impact of five tons to the square foot. Equipment will be the most efficient that science has devised. Electrical guides for blind landing, beacon lights, spotlights, all that efficiency demands, will be installed.

Seaplane Port

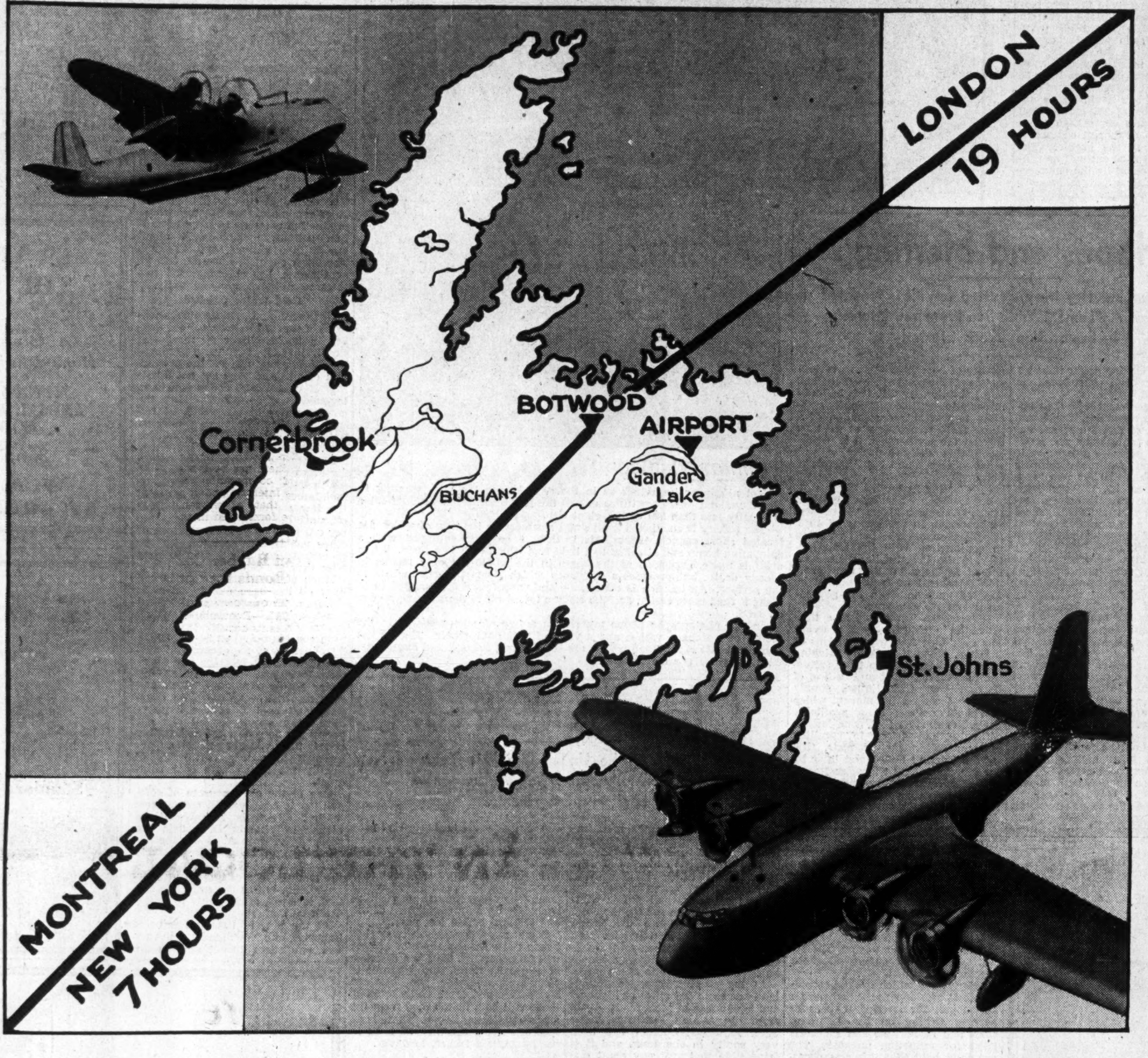
About a quarter of a mile from the airport is Gander Lake, which may advantageously be used as a seaplane port. Twenty-five miles long and one mile wide at its narrowest part, it has the very definite advantage of seldom freezing over.

At present Botwood, an inlet in Notre Dame Bay, about 30 miles west of Cobb's Camp, is the chief seaplane base. It has all the necessary facilities, and affords ample space for manoeuvring planes. Arrangements have already been completed to take care of the flying boats from England and the United States. In addition to a direction-finding and a wireless station, elaborate meteorological instruments and a wireless station, the port has a slipway large enough to bear the largest of the existing flying boats. Ultimately, it is expected that Botwood equipment will be moved to Gander Lake.

Although officials express the guarded "hope" that the runways on the landing field at the airport will be ready by October, they do not feel at all certain. Work was suspended last winter, and only got under way again in May. Telephone communication exists between the airport and Botwood, but as yet there is no road. It appears evident that this will be undertaken within a year or two. At the airport, in addition to equipment, there will be living quarters for the base personnel; a hotel in which passengers may stay overnight, and the inevitable immigration and customs offices.

Benefits to Colony

Benefits of the air service to Newfoundland, apart from the immediate construction and the employment afforded in the new settlement which is bound to grow up, may be wide. It will, of course, immeasurably speed up her mail—a feature of Newfoundland business life which has been open to criticism—and so strengthen commercial relations. It will also take to Newfoundland a class of passenger that may very well become interested in the country, either from the viewpoint of a tourist or, even more welcome, from that of a capitalist who may share in her mineral or industrial development.



Fisheries Log Business

More Optimistic Outlook is Significant — Market Prospects Are Better

By SCOTT FYFE

As go the fisheries, so goes Newfoundland.

Not anything like as true as a few decades ago, probably even less true of the future, this statement still holds good. For although development of huge newsprint enterprises and productive mines has given a welcome impetus to Newfoundland activity, has by far surpassed in value of output the take of the fishery, the latter provides the answer as to whether or not the island will be prosperous.

The explanation is not hard to find. By far the bulk of Newfoundlanders live by the sea. It has been estimated that some 30,000 of them participate each year in the codfishery, greatest of them all. When the catch is good, and can be marketed at a decent price, the fisherman is quite content. To a large extent he is self sufficient. Given a cash return of even $250, he can live very nicely on the additional produce he raises on his plot of land. He does require some cash, however, to purchase those things he cannot grow or make.

What happens when this cash is not forthcoming has been very clearly demonstrated in recent years, when the relief rolls have grown alarmingly. At times, well over 25% of the entire population have required government aid.

Heyday Is Past

The commission of government has concluded that the problem of the fisheries is not a temporary one. It is felt that they are of declining importance and, while still occupying the dominant position in the economic life of the people, cannot hope to employ as many as in their heyday. Consequently, other avenues are being explored to provide alternative employment. These avenues, mainly mining, forestry and agriculture, hold promising prospects, particularly the first two. As yet, however, they have not been developed sufficiently to take up slack of employment from the fisheries. That development is essentially a long-range programme.

The problem of the fisheries is twofold. Production and marketing. In recent years, it has been the latter which has given most trouble. The catch has been good—until last year it did not fall below one million quintals. The difficulty has been to find a market. As if the depression itself was not sufficient, war, revolution and currency exchange have taken a hand in disorganizing the major markets to which Newfoundland consigned her fish.

These were conditions largely outside Newfoundland's control. But there was another. To disorganization abroad was added disorganization at home. Exporters insisted on acting individually, and competition at times approached the ridiculous.

Reason for Optimism

This year, a more optimistic spirit pervades the island. But it is a feeling whose justification is contingent on the success of the fisheries. It is, indeed, largely because of a belief in better fortune for the fisheries that such a feeling exists, although, naturally, near capacity newsprint and mining operations play a substantial part. Optimism is not founded primarily on hopes for a greater fish production. Early indications point to a return not much higher than last year. Rather is it based on the opinion that at last a measure of order has been restored both in foreign markets and at home.

Market conditions showed improvement toward the end of last season. In most instances, however, the fishermen had disposed of their catch before the higher prices began to prevail. Since then, there has been still further improvement. The Italian market, closed during the Ethiopian war, has been reopened. Although the credit situation in that country is not all that could be desired, it is confidently expected that Italy will, this year, be in a position to make substantial purchases. Even if the price obtained is not high, the quantity consumed will serve to ease the pressure on other markets.

Co-operation of exporting firms has reaped good results in Brazil and Portugal, two other important markets. The credit situation with Brazil, which has been so tangled in recent years, is now said to be excellent. In the Portuguese market, sales units and exporters groups formed at the instigation of the Newfoundland fisheries board, were largely instrumental in preventing any panic or dumping which might have followed the collapse of the Spanish and Italian markets. Reorganization of this market has been fully justified. Practically all stocks of fish suitable for it have been disposed of, and the way has been cleared for this year's production.

Picture Is Brighter

In short, in practically all the major markets in which Newfoundland sells her fish, with the important exception of Spain, conditions are much more hopeful than for several years past. At home, trade representatives have already been appointed for Portugal and Greece. Their work has been such that this phase of marketing control will certainly be continued, and may be extended to other markets as well. Much has already been done, and much more is planned to promote orderly handling and exporting.

Island's Confidence Restored

Wave of Optimism, Based on Improved Outlook for Fisheries, Forestry and Mining, Pervades Newfoundland — Criticism is Directed at Administration, Rather Than Form, of Government

For the first time since the spring of 1934 a feeling of optimism is pervading Newfoundland.

Three years ago it had its origin in the immense relief from political uncertainty that accompanied the establishment of the Commission form of Government. The present optimism has a much more solid foundation.

It is at its height in the industrial centres which are benefitting from rising commodity prices and increasing demand for newsprint and base metals. But the improved sentiment is apparent even in the depressed fishing districts where its basis is the hope of prices high enough to provide a substantial margin over production costs.

The Government is expected to announce soon its new rehabilitation programme. Expectations in this connection, however, are not responsible for more than a very small degree of the better feeling among St. John's wholesalers and elsewhere in the island. For once, hope of better times is not based upon government-sponsored activities and this is regarded as a good sign.

Benevolent Autocracy

The set-up of the "benevolent autocracy" which has governed Newfoundland since February, 1934, is fairly well known. A commission of six appointed members, three from England and three from Newfoundland, presided over by the governor, has replaced the panoply of responsible government. The first commissioners were appointed for a term of three years and while the original financial arrangements set a maximum sum to be paid out of the British treasury as a free grant for the three-year period ending in February, 1937, no time limit was set upon the duration of the new system of government. The commission of government is expected to remain in office until such time as the island is again self-supporting.

The first term of the commission has constituted an experimental period in which certain palliatives were tried with small success, and new policies have been tentatively tried out with varying fortune. It has been found that direct participation of the Government in fishery supplying is unsound, and efforts in this direction have been diverted to improving cure, inspection, and marketing, and the negotiation, through the British Government, of helpful trade treaties.

The replacement of the old bounty on shipbuilding by direct loans secured by mortgages has turned out badly and restoration of the bounty system is again under consideration.

The land settlement scheme, particularly as it applies to the largest colony, Markland, has not come up to expectations, and costs have so far been out of all proportion to the results attained. The acquisition of experience is always costly and the Government believes that its new rural reconstruction plan and certain other long-term policies yet to be revealed, having been founded upon the experience of the past three years, will prove successful.

Economic Improvement

Popular opinion, however, is not counting upon too much from government activities and is basing the immediate outlook upon the hope of continued improvement in the newsprint industry, the export of more pulpwood at higher prices, the continued prosperity of the mines and the possible development of new mining enterprises, and the maintenance, if not improvement, of the present prices for fish. So hopeful are the fishery suppliers of a better year that they have not been depressed by a seal fishery which fell below expectations. Warnings have been given that a much bigger catch of fish will depress prices, but these do not appear to receive much attention. Hope springs eternal in the Newfoundlander's breast and there is a widespread belief that this year will see the island's first signs of emergence from depression.

So far there has been no general expression of dissatisfaction with the present constitution. Criticism has not been lacking, but it has been aimed chiefly at the government's sins of commission and omission and not at the system. There have been sporadic movements for the restoration of responsible government, but these have met with little popular support. Most Newfoundlanders are glad of a rest from partisan politics and are solely concerned with the economic development of their country.

The substance of the case against the Government is that the English members are changed too often and each new commissioner delays progress by the length of time it takes him to grasp the country's fundamental problems and acquire an understanding of local psychology; that at least one English member should be drawn from business instead of all being recruited from the ranks of retired Indian civil servants or from the treasury; that a disregard for local advice has resulted in many costly mistakes that should have been avoided; and that the need for a thoroughgoing survey of the island's potential resources as a basis for both long and short term reconstruction schemes has not been adequately appreciated.

It is contended, for the other side, that time is required for the working out of a long-range reconstruction plan; that much of the adverse criticism arises out of unreasonable impatience; that the Government has even now a notable record of achievement in the three major planes of administration.

Rural Reconstruction

It has been known for some time that the Government has been concentrating upon a substantial recovery programme based upon its experience of the past three years. No details of this programme have yet been released, but common opinion is that it is closely bound to the professed aims of the rural reconstruction division of the natural resources department.

So far as may be ascertained, this policy will take the form of varied planning dependent upon the conditions in and the resources of the settlements it is designed to help. In some, fishing, farming and winter logging will be combined; in others, only these first two enterprises may be fostered; in some cases, those of settlements which have little fertile land and the waters of which have been deserted by fish, a plan of migration of the population to more desirable areas may be adopted. In every case, home-crafts will be encouraged, the people will be taught to take advantage of every resource that nature has provided for them, and a broader social outlook will be fostered. That is believed to be the sum and substance of the rural reconstruction scheme, and it is generally believed that a great deal of money will be spent upon its development.

Fishery Outlook

While rural reconstruction may become the keystone of government policy, the codfishery, for 400 years the staple industry of the island, is not to be neglected.

With much better organization, the 1937 fishery outlook has improved considerably. Prices are currently well above the quotations of last fall, although this is due to scarcity of supply resulting from a greatly reduced production in 1936. On the other hand, the general upward price movement of commodities has helped the fish industry.

It is contended in some quarters that an average production in Newfoundland, considered in the light of substantial increases in the Icelandic and Norwegian catches, would have the effect of depressing prices. Much will depend, in this connection, upon the effectiveness of better marketing arrangements in expanding sales to Portugal, Brazil, Greece, and the British and Foreign West Indies. Spain is, of course, a closed market, and the financial arrangements with Italy are not working satisfactorily.

Herring Contract

The improved outlook for the codfishery is also apparent in the junior fisheries, of which the most important are the salmon, lobster and herring enterprises.

Better world conditions are expected to produce higher prices for fresh salmon destined for the English market and there is expectation of a larger catch.

The spring lobster fishery is now under way and the production of canned lobster is likely to equal that of the previous season. The Government is endeavoring to improve

(Continued on page 22)

Exporting Raw Wood

Newfoundland Government Abandons Traditional Policy Over Protests — Long Term Cutting Contracts Offered to Aid Employment

Newfoundlanders have always objected strenuously to any continuous plan of exploration of unmanufactured wood, particularly pulpwood, and when permits for this purpose have been granted, as in 1920, it has been regarded as an emergency measure to assist in finding temporary labor for people in times of economic stress.

When, therefore, the Commission of Government announced in April a plan for granting to holders of licensed timber areas permits, understood to be for a period of ten years, there was an angry storm of protest which has not yet died down.

This protest was probably caused by a misconception of what the permits involved, and a belief that they would allow indiscriminate cutting of wood on Crown lands. Government officials point out, however, that the permits in question refer only to certain timberlands held by private owners under license, comprising in all 3,400 square miles. These lands have never been developed, chiefly because of their isolated nature and the resultant high cost of lumbering. If, however, the owners could be assured of a set period over which they might develop these areas for the export of raw wood it had been represented to the Government that they might undertake such development.

Provide Employment

The Government also had in view the additional point that any work of this nature would be most helpful in providing additional employment. By making the agreements semi-permanent the Government had hopes of building up a substantial industry that would afford permanent work for several hundred men for years.

Heretofore such permits as had been granted for the export of unmanufactured wood have been given for areas on the coastal fringe colloquially called the "three-mile limit," which had been reserved to the use of fishermen under an act passed last century by Sir Robert Bond. While such permits had been annual they had been granted and are still being granted to a somewhat limited extent. The Government felt that this coastal fringe should be entirely reserved for the use of the fishing industry, more especially because it is steadily becoming more and more decimated by the operation of small sawmills. While these mills were originally started by fishermen to cut barrel and cask stave wood and purely fishing material, they have gradually developed into commercial concerns in a small way and compete in the regular lumber markets.

Under the terms of the "long term" permits for export of raw wood certain provisions are laid down to protect the workers. A minimum price per cord for all wood cut is set, and payment must be in cash, all payment in truck is forbidden.

Some cutting for export is now in progress at St. George's Bay and Hermitage Bay, but it is evidently on the basis of the emergency annual permit, since the Government has stated definitely that no permits under the long term agreement have been applied for or granted.

Production of raw wood for export is believed to have totalled nearly 100,000 cords in the past season. It has been estimated that from 200,000 to 250,000 cords of wood could be cut each year for export without depleting the supply. Experts contend that replenishment of the cut-over areas requires from 30 to 40 years and the estimates of economic cutting are based on an annual production of 2% of the total supply on lands other than those owned by the newsprint companies or belonging to the people. The value of the 1937-38 cut will be considerably increased by the enhancement of prices since the past season's contracts were made.

Hopes and Herring

Million-dollar Industry May Develop for Newfoundland as Result of Agreement With San Francisco Interests — Exploration Work Started

A potential million dollar industry has recently been introduced in Newfoundland.

Under an agreement with the commission of government, the Santa Cruz Oil Co., of San Francisco, has established a subsidiary in Newfoundland to promote a large scale herring oil and meal manufacturing enterprise. Plans call for two years of investigation by the company, and, if results are satisfactory, factories will be established. These would have a guaranteed annual production of not less than 800,000 barrels of herring.

In return, the government has given the company exclusive right to manufacture herring oil and meal in certain sections of the country for periods of 12 and 15 years.

Hopes for Industry

Fishing will be by modern methods and it is understood that an annual consumption of 100,000 tons of herring would not be beyond the company's capabilities if that quantity should be available. Many hopes are being built upon this industry which would become second only to the cod-fishery. Not the least of its advantages would be the fact that there would be much employment and a large distribution of cash to fishermen at periods of the year in which they cannot engage in cod-fishing.

Officials of the company will spend this summer in investigation work, particularly in respect to existence of herring schools in various waters off the coast of Newfoundland and Labrador. By fall, it is believed information will be sufficiently complete to warrant construction of a shore factory, probably at Fortune Bay on the south coast. It is understood that daily capacity of this plant will be about 3,000 barrels of herring.

Floating Reduction Plant

A 7,000-ton floating reduction plant, "American Fisher," is expected to arrive in the spring of 1938. It will then operate for two years in conjunction with the land factory, while investigations are continued. At the end of that time, erection of other land factories will be decided upon between the government and the company.

It has been introduced at a time when the herring fishery is at a very low ebb. Last fall, with millions of herring teeming within catching range, packers shut up their factories, and the catching and salting of herring was discontinued, simply because there was no market which would take them at a profitable price. Even before that, considerable difficulty had arisen in handling and marketing the products, first by the Herring Board and later by the Newfoundland Fisheries Board.

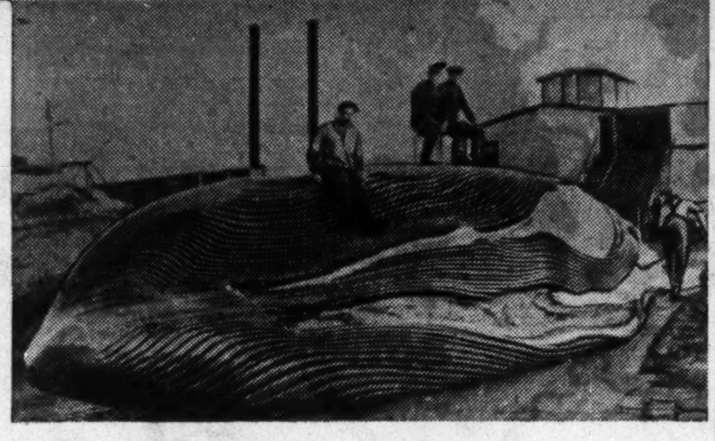
The government recently signified its intention of discontinuing marketing Scotch cure herring by a central authority as far as possible.

Business Men Consulted

Because it represented American capital, the English commissioners had some misgivings as to how the new project would be received by the Dominions Office in London. In order to strengthen their case, they invited a representative gathering of Newfoundland business men to consider the proposal and to give the benefit of their advice. The result was unanimous approval of the scheme as outlined.

One feature which evoked considerable discussion was the demand for a monopoly for a period of years for herring fishing on the Labrador coast and in Fortune and Placentia Bays for reduction purposes. The company held that this was necessary to protect the investigation and exploratory work of the first few years from interference of "shoestring" concerns.

The co-operation of the government is further illustrated in the provision that machinery and fuel oil for the reduction furnaces would enter the country free of duty.



A JUNIOR FISHERY

Not nearly as important as in the days before the war, whaling in Newfoundland now constitutes one of the junior fisheries. Annual catch is usually less than 200 of the giant fish.

The fishery is conducted from small steamers, in the bow of which are located short cannon. From this is fired a harpoon equipped with a detonating bomb and attached to a light line which ends in a buoy. When a hit is made, explosion of the bomb in the whale not only results in speedy death, but provides a buoyancy which floats the dead whale to the surface. An incision is then made and compressed air pumped in to make it float more easily, and the carcass towed off to the flensing station on land.

In the photographs above are shown a trio of men working in the mouth of a finback whale, and a view of a sulphur whale. Types most common in Newfoundland waters are the finback, sulphur and humpback, with occasionally a male sperm.

Trans-Island Road

Little New Work to be Undertaken This Year — New Commissioner Adopts Policy of Caution on Highways Programme

This time last year, the most important construction undertaking in Newfoundland was a trans-insular highway. Heartly endorsed by Sir John Hope Simpson and Hon. Thomas Lodge, commissioners for natural resources and public utilities, respectively, plans for the road, which would traverse the island from St. John's to Port aux Basques, were almost completed, and it was expected that the highway would be built in from five to seven years.

At the present time, Newfoundland has some 800 miles of highway and 3,000 miles of local roads. Apart from the Avalon Peninsula, however, road construction has been very spotty in character, and it is impossible to travel any great distance by automobile. The project visualized by the commissioners would link together the disconnected roads and would provide an added incentive to tourist trade. Proponents admitted it might take some traffic away from the railway, but suggested that any loss in this way would be more than offset by the benefits which would accrue from opening up the country.

Slow up Construction

Since that time the two chief sponsors have retired and have been replaced by others, who, it is reported, are not as enthusiastic about the venture. As a consequence, while it is planned to continue construction, it will likely be at a considerably slower pace.

Highway construction comes under the department of public utilities, in which Sir Wilfred Woods succeeded Mr. Lodge early this year. Sir Wilfred seems doubtful of the wisdom of the speed with which the project has been forced, and is inclined to a "make haste slowly" programme.

It is believed that the next budget will show a much smaller expenditure on road construction. Little new construction will be undertaken this year, the government contenting itself largely with completion of the two sections begun last year.

Some day soon, a highway between Botwood and the new airport will be necessary. This is a distance of about 30 miles, and when it is completed and the gap between Hall's Bay and Deer Lake bridged, there will be a motor road from the airport to Corner Brook. There is no indication that this will be built in the immediate future, however.

Development Loan

In 1936, $750,000 was obtained as a loan from the Colonial Development Fund, and a large amount of road making material purchased. Work was then begun on two sections of the proposed trans-island highway. One of these connected Grand Falls with Badger, where a road to Hall's Bay, built in the early '20's, is still in existence. The other section was from Deer Lake to Corner Brook. The two comprised some 55 miles of road. Work was not completed, but is expected to be this year.

Apart altogether from the trans-island highway, the government carries out extensive programme of improving local roads, and in bridge construction. The departments of public health and welfare and of public works are working together in this respect. Materials are supplied by the latter department, and the work is done by recipients of able bodied relief under the supervision of magistrates and relieving officers.

St. John's

Newfoundland Capital is Second Oldest in Empire

Oldest municipality in North America and, apart from London, the first British capital, the city of St. John's is the centre of Government for Newfoundland and the hub of the widespread fisheries industry.

Apart from the newsprint industry, which has created thriving towns at Corner Brook and Grand Falls, the bulk of commercial and industrial life of Newfoundland centres about St. John's. More than 40 industries are located within its limits. The city also houses the chief branches of the four Canadian banks which serve the country and is the home of the Newfoundland Savings Bank.

Blessed with a natural, landlocked harbor, St. John's is the centre of Newfoundland shipping.

It boasts many outstanding institutions, including the Government residence, the Government buildings, the Newfoundland Hotel, largest and most up to date on the Island, and a number of schools and colleges.

The city is well served by hydroelectric power supplied by the Newfoundland Light and Power Co. in conjunction with United Town Electric. Gas power for residential and industrial purposes is supplied by the St. John's Gas Company and telephone service by the Avalon Telephone Company. Water supply is secured from Windsor Lake, five miles from the city.

St. John's has elected its own city council since 1888, the only community on the Island to boast a municipal executive. A. G. Cornell was elected mayor by acclamation in 1934 for a four-year term.

Fish Stocks

According to figures released by the Newfoundland Fisheries Board, the estimated stocks of old fish held on April 30, 1936, amounted to 59,106 quintals. This compares most favorably with the previous year when the comparative total was just under 200,000 quintals. Total stocks in the hands of licensed experters at the beginning of May this year, new and old fish, are placed at 120,065 quintals.

Mineral Production

Output for the Year Shows Increase of $350,000 — Improved Copper Prices Double Export Values — Prospects Encouraging

Value of mineral exports from Newfoundland, which in effect represents total production amounted to $6,152,987 in 1936, approximately $350,000 above the previous year's figure.

A somewhat larger increase had been anticipated, but iron ore shipments from Bell Island proved a stumbling block. Unfortunately, German contracts for iron were not filled, as payment could not be made. While the total shipments from the mine were somewhat greater in terms of volume, value was slightly lower. A similar situation existed in respect to Aguathuna limestone exports.

The higher total for the year is largely attributable to improvement in copper prices. Concentrates of this metal mined at Buchans during the year amounted to 10,315 tons valued at $467,232 as against only 481 tons valued at $22,041 in the previous year.

Substantial increase is also shown in the value of lead concentrates, although the amount mined was not much changed from the previous year. Production of zinc was lower both in volume and in value.

Prospects for 1937 are most encouraging. Spurred on largely by demands for armament purposes, the Wabana Mines are working at greatest activity since the immediate post-war period. It is estimated that shipments this year will exceed a million and a quarter tons and, some state, are limited only by the volume of ore that can be shipped during the season of navigation. Since early May, a continued stream of shipping has sailed in and out of Conception Bay. Over 2,000 miners are now at work and the company has been able to employ some men from the mainland as well as on Belle Island.

At Buchans, the picture is considerably brightened by the improved prices of the base metals. Work has been progressing at capacity, and rising prices have been realized for output.

Mineral Production

		1936		1935	
Source:	Commodity:	Tons	Value	Tons	Value
Belle Island	Iron ore	754,637	1,946,463	726,335	$2,004,675
Aguathua	Limestone	162,600	162,600	220,760	220,760
Buchans	Lead concentrates	42,107	1,950,601	40,120	1,607,406
"	Zinc "	123,026	1,505,921	140,773	1,869,624
"	Copper "	10,315	467,232	481	22,041
"	Table "	637	69,487	441	30,646
St. Lawrence	Fluorspar	8,457	50,682	3,077	18,462
		1,101,779	6,152,987	1,131,988	$5,793,613

Cod Liver Oil Prices Up

Prospects for Increase in Sales Not Bright

Prospects for increased sales of cod liver oil this coming season do not appear overly bright. Prices have strengthened considerably, however, quotations having risen from $85 a ton at the beginning of last year's fishery to about $110 this spring.

Production in 1936 was somewhat lower than in the previous year, mainly because of the decrease in the inshore fishery. Accurate statistics are not available, but the output would probably run about 200,000 gallons, not greatly changed from 1935.

Newfoundlanders are justifiably proud of their reputation for producing the world's best cod liver oil. The Newfoundland output lags far behind that of several other countries, but the purity of her product is unquestioned. In the days when oil sold at $1 a gallon, Newfoundland production was about 500,000 gallons. With the decline in price to 60 to 70 cents, output in recent years has dwindled to 200,000 gallons. Chief competitors are Norway, whose production amounts to some 1.5 million gallons, Iceland with about one million gallons, and England. The latter country, since the Ottawa agreements, has manufactured two to three million gallons annually.

Cold Water Catches

Newfoundland manufacturers will explain that the reason for supremacy in the cod liver oil market is simply that Newfoundland produces the world's best fish for the production of oil. And they are not boasting. Newfoundland cod is caught in icy-cold water—some claim the coldest water in the world. It follows that the fish require greater oil potency to protect them from this cold.

Further the fishermen and manufacturers do all in their power to see that the reputation for the oil is maintained. Newfoundland is one of the few sources of pure cod liver oil, since the catch is 100% cod. Into her cod liver oil goes no haddock or other fish livers. And the fish are processed on shore immediately after they are caught.

Much of the improvement in cod liver oil has been due to scientific research. The proportion of refined non-freezing oil, for instance, which commands the highest price, has been considerably increased through introduction of an economical system of blending, freezing and filtering. This process is carried out under government supervision and as a result, a very complete oversight and control of the industry have been acquired. All oils exported are now standardized, stating clearly their vitamin potencies. Government laboratory certificates of quality are issued with each shipment.

One of the chief sources of competition to cod liver oil comes from halibut oil. This is substantially higher in vitamin D, but is less potent in vitamin A. It has the disadvantage of being less palatable. Efforts are being made to develop the manufacture of this oil in Newfoundland, but as the supply is limited, it is proposed mainly to supply the local market.

At the present time, oil is being imported into Newfoundland in various emulsified forms, and an endeavor is being made to develop manufacture of these in the country. One, cod liver oil and malt, has already been introduced and is a commercial success. Others are under consideration.

Government Undertakes To Aid Salt Purchases

Although the Commission of Government publicly announced more than a year ago that the policy of direct financial assistance to those engaging in the fishery would be abandoned, a further venture into this field was made this spring as an "emergency measure." A rebate of $1 has been announced on each hogshead of salt used during the calendar year 1937. The action implements the recommendation of a committee appointed by the Government to report on possible means of aiding the industry.

In making the announcement, it is stated that the Government realizes the difficulties which have arisen owing to the short catch and low prices, and also to the increasing cost of supplies. It was felt that the salt rebate would tend to reduce production costs, in which salt is a major item, and that it was a form of subsidy which may well seep through to the fishermen themselves.

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St. John's, Newfoundland

CITY OF ST. JOHN'S
NEWFOUNDLAND

●

Facts About St. John's

The following facts concerning the City of St. John's are of interest:

First elected council took office in 1888.

Present population of City: 44,000.

The City has a Property Valuation of $40,000,000.00.

Annual Rental Valuation: $2,192,000.00 (on which taxation is based).

Fire Insurance Premiums collected within the City amount to approximately $450,000.00 annually.

The City Debt: $2,104,000.00, incurred between the years 1888 and 1932. The major portion of the debt was used in rebuilding the City after the disastrous fire of 1892. This debt is due to the Government of Newfoundland. Note that the debt in over forty years has amounted to less than one year's rental of City property.

WATER SUPPLY

The water supply is secured from Windsor Lake, situated five miles from the City of St. John's. The elevation of the lake is 500 feet above the City. Area of watershed: about twenty miles. A practically inexhaustible supply of first-class water is available for all requirements. Water pressures all over City are maintained at 80 to 130 lbs., which ensures ample fire protection. Although the supply is capable of giving 20,000,000 gallons per day, the average daily consumiption at present is only 7,000,000 gallons.

In addition to the main water supply, an auxiliary supply is situated at George's Pond. This, however, is only used in case of emergency.

POWER AND GAS

Hydro-electric power is supplied by the Newfoundland Light & Power Company in conjunction with the United Towns Electric Company, Ltd., at a low rate. Ample power is available for future development.

St. John's Gas Company. New capital has been acquired to increase the scope of the company's activities and to supply gas to residences and for power purposes.

STREETS

Fifty miles of macadam roads; 2 miles paved roads; over 12 miles of concrete walks. Both concrete walks and paved roads will be increased in the very near future.

BANKS

Branches of the following Canadian banks are located in St. John's:—Canadian Bank of Commerce, Bank of Montreal, Bank of Nova Scotia, Royal Bank of Canada; also Head Office of the Government of Newfoundland Savings Bank.

EDUCATIONAL

The following are some of the City's well-equipped educational institutions:—Memorial University College, Bishop Field College, St. Bonaventure's College, Prince of Wales (United Church) College, Bishop Spencer College, K. of C. Memorial School, Presentation Convent Schools, St. Patrick's Hall and Holy Cross Schools.

MANUFACTURING

Some of the leading industrial firms are:

United Nail & Foundry Company
Standard Manufacturing Company
Horwood Lumber Company, Ltd.
Wm. Dawe & Sons, Ltd.
Purity Factories, Ltd.
Browning-Harvey Factories
Colonial Cordage Company
Newfoundland Boot & Shoe Factory
Parker & Monroe's Shoe Factory
Newfoundland Clothing Company
White Clothing Company
Newfoundland Butter Company
Harvey-Brehm Butter Company
Imperial Tobacco Co.
Newfoundland Brewery
Bennett Brewing Company
Riverside Woollen Mills, Ltd.
Lawrence's Carriage Factory
Carnell's Carriage Factory
Pope's Furniture Factory

Head offices of the United Towns Electric Company and Avalon Telephone Company, Ltd., are situated in St. John's.

HARBOUR and SHIPPING

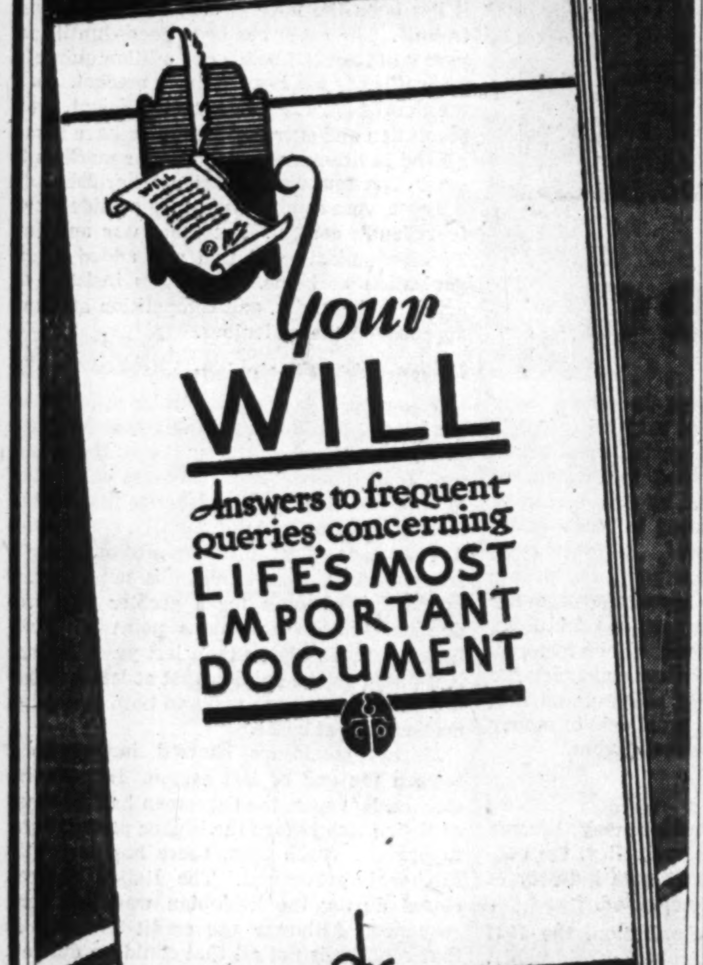
900,000 tons.

St. John's land-locked harbour is one of the best on the Atlantic sea-board.

All steamers must pass St. John's on the way to and from Canada, the United States and Europe.

ST. JOHN'S MUNICIPAL COUNCIL

Mayor: ANDREW G. CARNELL
Councillors:
J. R. CHALKER *(Deputy Mayor)*
C. W. RYAN,
J. P. KELLY,
M. F. CAUL,
J. J. SPRATT,
J. A. WILLIAMS,
City Clerk: J. J. MAHONY, J.P.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- Have you the knowledge about Wills that every well-informed business man should have? For instance, what are the legal requirements that have to be met? Can your Will, once made, be changed at any time to fit new circumstances? What is an executor? a trustee? How can you make certain of the wise investment and proper management of the money you leave?
- A copy of an interesting and instructive new booklet, "Your Will", answering these and other frequently asked queries concerning "Life's Most Important Document", may be obtained without cost or obligation by addressing the nearest branch of The Eastern Trust Company.

Members of the St. John's, Nfld., Advisory Board:

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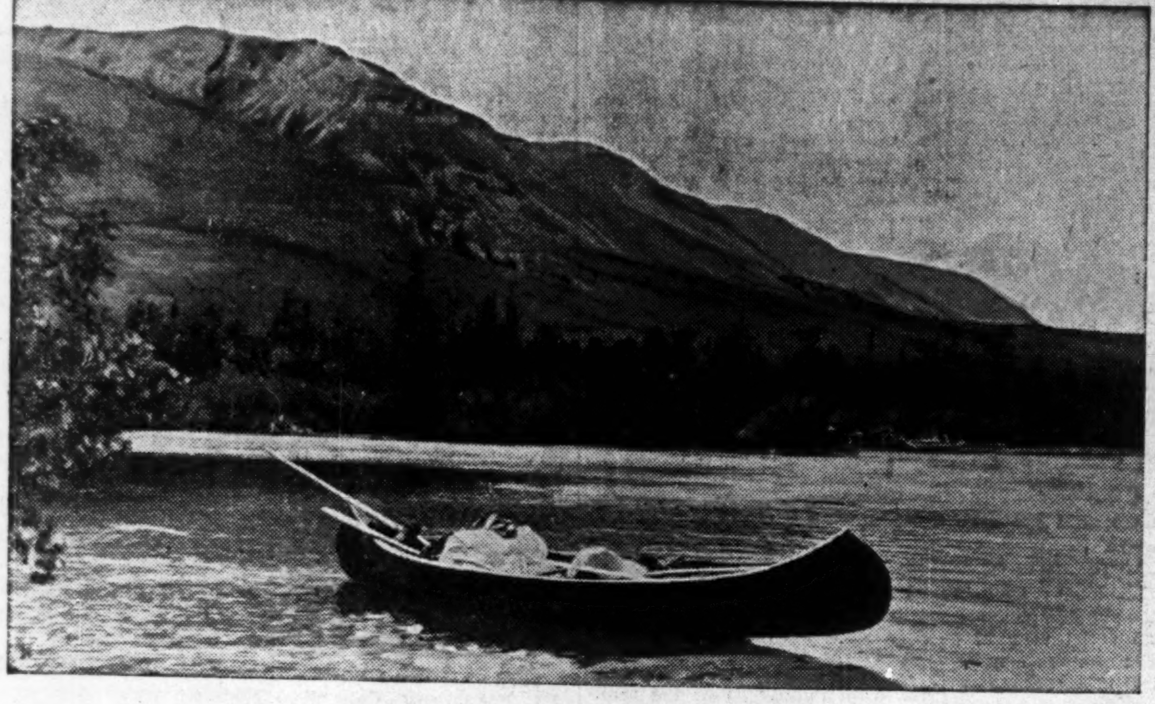
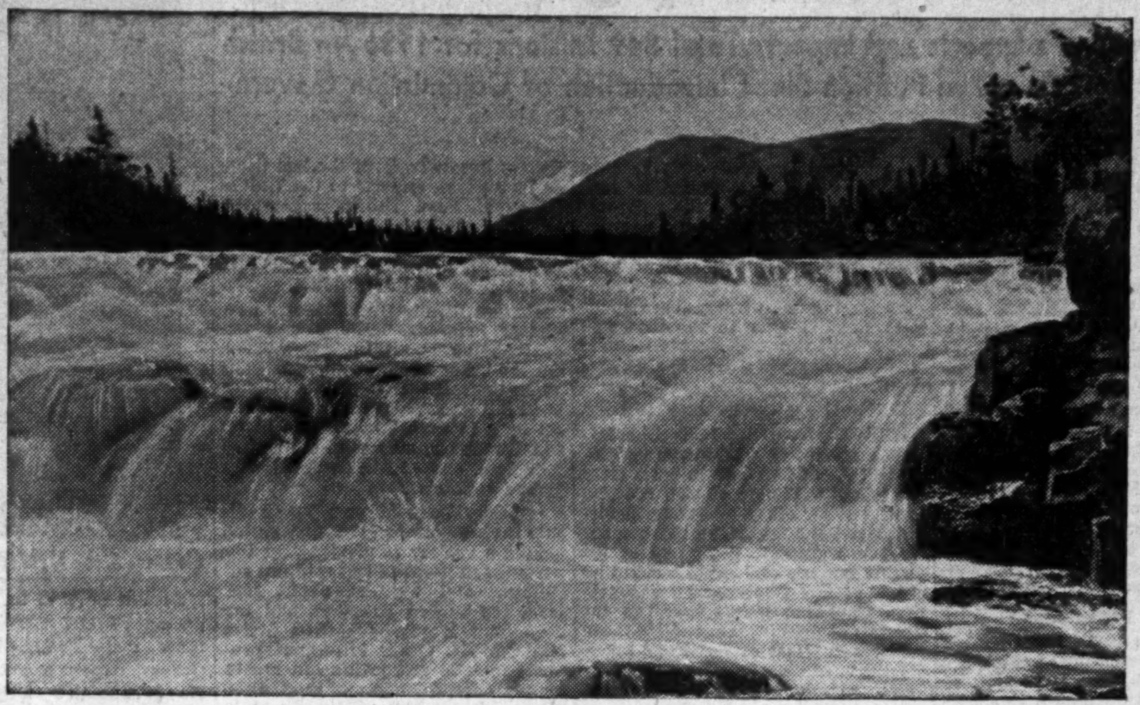
P. B. RENDELL, Manager



Along Serpentine River



Big Falls on the Serpentine

NEWFOUNDLAND

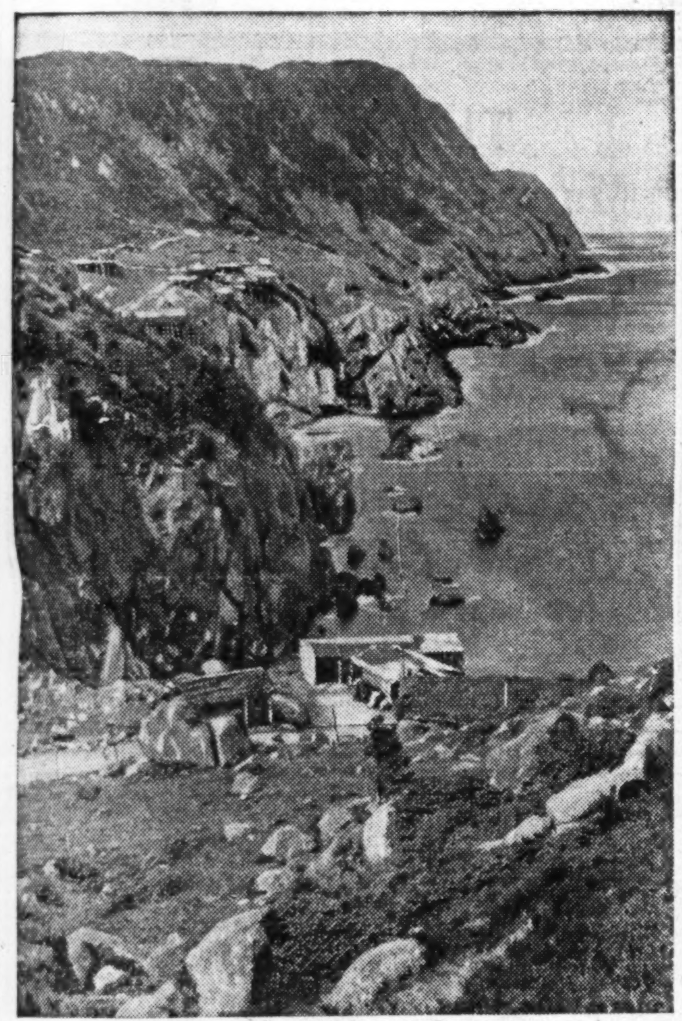
A Vacation Paradise

AN IDEAL summer holiday, combining the pleasures of an ocean voyage with those of travel in a land of unsurpassed scenic beauty is offered by Newfoundland, "The Norway of the New World." Yet, it is a holiday which is different. It may be possible to duplicate the rugged grandeur of her landscape, but where this is so, the country has generally reached the position of a Mecca for tourists. Not so with Newfoundland. Although her attractions are being recognised by an ever increasing number of visitors, the simple beauty of Britain's oldest colony remains unmarred by artificial lures.

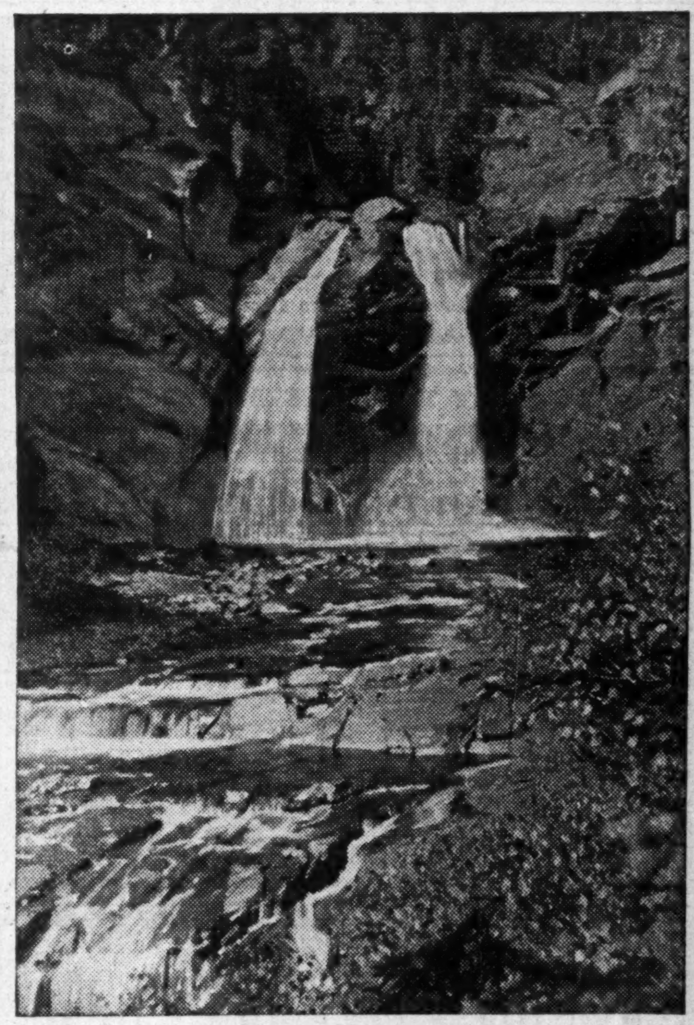
ANGLERS' DELIGHT

Newfoundland adds to the majesty of her scenery unrivalled sport for fishermen. In her myriad interior streams teem salmon and trout — big fellows — which will test the skill of the most accomplished enthusiast. Restrictions are few, and access to the best streams is afforded by water route through fine camping areas, by rail and to some spots by highway.

Then there is the absorbing historical background of the country. Little publicized, this attraction is an unusual delight. Relics of early settlement days are apt to be stumbled upon in the most unexpected places, lending additional enchantment to the picturesque fishing villages. And many are the stories which can be unfolded by descendants of those who lived in Newfoundland centuries ago.



Coastline at Logey Bay



Falls on Canyon Brook

REFRESHING CLIMATE

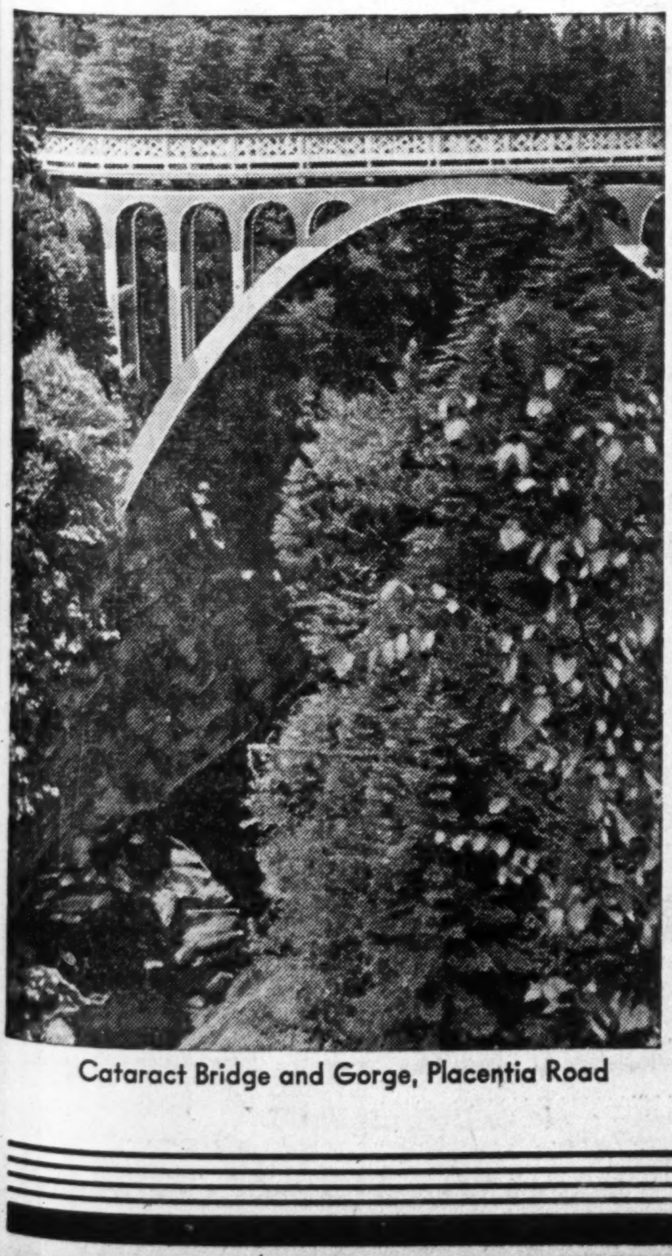
Apart from the glamour of her scenery, sporting attractions and historical background, Newfoundland can boast many other features. A summer climate provides clear sunny days and cool evenings. The temperature rarely rises above 85 degrees and is tempered by cool and refreshing sea breezes. Hotel facilities are adequate and of the first order. And certainly not least, the hospitality of her people is far and justly famed.

For those who prefer a touch of the more conventional, the city of St. John's offers first class golf and tennis. This city, the business and legislative centre of the island, presents on the one hand metropolitan business institutions and a magnificent harbour, and on the other a beautiful park, with scenic showplaces within a few minutes drive.

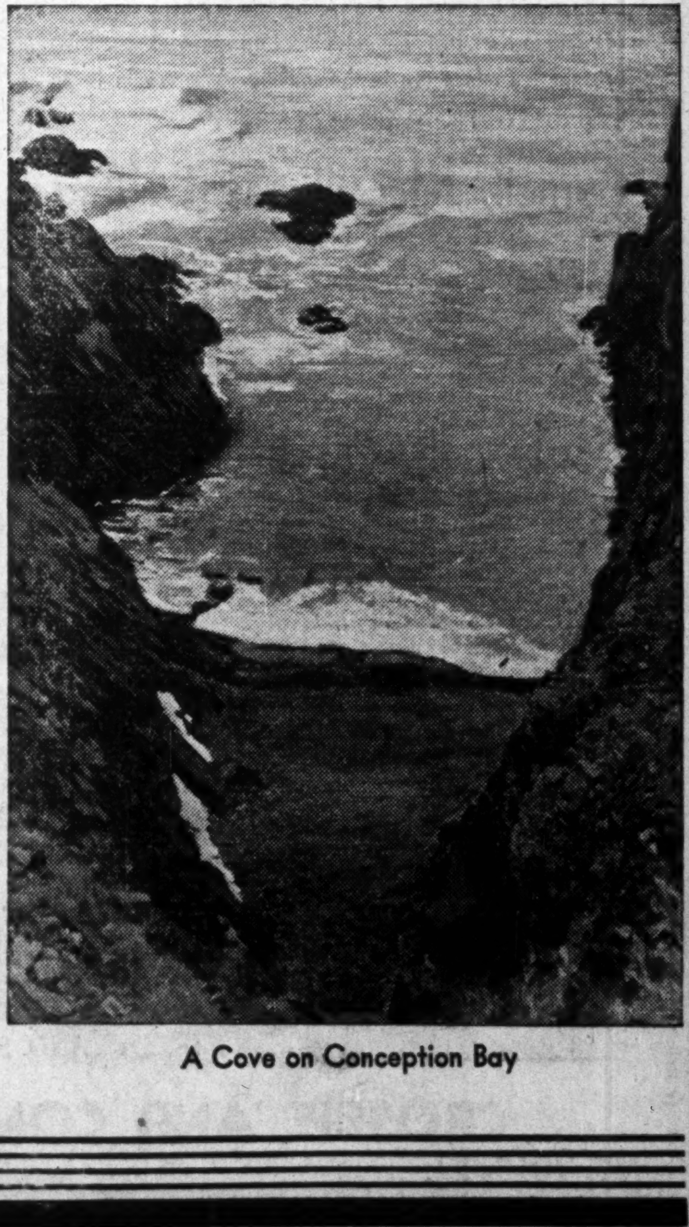
MEANS OF ACCESS

Easy of access, Newfoundland can be reached in a few days sailing time from points in the United States, Canada and Great Britain. Entry may be made either at St. John's, Port Aux Basques or Corner Brook. A favourite route is to enter at any of these points, proceed through the heart of the country via the government railroad and sail from one of the other ports.

Additional information will be furnished gladly by the Newfoundland Tourist Development Board, Board of Trade Building, St. John's; the Newfoundland Information Office, British Empire Building, 620 Fifth Avenue, New York; the Newfoundland Railway, St. John's; or any Travel Agency.



Cataract Bridge and Gorge, Placentia Road



A Cove on Conception Bay

Trade on the Upgrade

Newfoundland's Exports and Imports Total $49 Millions for 1936 — British Manufacturers Improve Position Since Introduction of Commission Government in the Island

Newfoundland's trade volume has shown a steady increase since the Commission of Government took office. This is in no small part due to Government spending, although it has recently been helped by the expansion of operations in the industrial centres.

In 1932-33 the total of imports and exports, excluding re-exports, was approximately $38 millions. For the fiscal year 1936 it was $49 millions. Trade has a long way to go, however, to reach the 1929-30 total of $71 millions. Exports for the last completed fiscal period amounted to $12 millions less than the 1929-30 total and most of that loss in value has been suffered by the fishing population. In that drastic decline of fishery values lies the explanation for the present large relief bill.

British Preferences

So far the adoption of United Kingdom preference does not appear to have altered the distribution of Newfoundland's purchases to a material extent. The original preference was applied as a consequence of the Ottawa agreement between the island and the United Kingdom. It has since been extended by the commission which has thoroughly overhauled and simplified the tariff. Taking as a base the figures for the last fiscal year before United Kingdom preference was established, it will be found that purchases during fiscal 1936 showed an increase of 40% for Great Britain, 30% for Canada, and nearly 50% for the United States.

It is only natural that as Great Britain is footing the bill, everything possible is being done to divert trade to her manufacturers. Government purchases of flour for relief purposes have been chiefly placed with English millers and market conditions have increased imports of refined sugar from Britain, largely at the expense of Canada.

The Dominion lost the sugar trade on a competitive basis and the only decline in imports of Canadian goods that has resulted from the policy of placing as much business as possible in England is represented by the value of the relief flour purchases. As things are, with Canadian buying of Newfoundland goods very much higher in the past two years, the balance of visible trade is still heavily in the Dominion's favor.

Canadian Balance

While Newfoundland bought chiefly Canadian manufactured goods, about 75% of Canada's imports from the island consisted of iron ore and limestone for the Cape Breton smelters. What the favorable balance for Canada would be if figures of invisible imports and exports could be obtained is an interesting speculation. Canadian banks and life insurance companies monopolize these services in Newfoundland and much freight is carried by vessels of Canadian register.

Newfoundland's imports are concentrated. About 90% of the total comes from Canada, the United States and the United Kingdom. Those from the United Kingdom have shown steady increase since 1932, reaching a total of $5.2 millions last year. This figure is still below the total for 1930, but when allowance is made for the reduction in values since that time, it is apparent that the volume of Newfoundland trade with the United Kingdom has increased in quantity.

Imports from Canada and the United States, while showing steady increase in the last three years, are still much below the 1930 level.

Exports Scattered

Exports are more widely scattered, more than 30% going to countries other than the three mentioned above. Belgium, Spain, Portugal, Brazil, West Indies and Greece are important markets, largely providing the demand for Newfoundland fishery products. Over the last three or four years, exports to the United Kingdom have shown substantial increase, attributable in large measure to an increase in shipments of newsprint, and also to an increase in the price of this product.

Trade with the United States now almost balances, imports and exports being about the same level. On the other hand, trade with Canada shows an unfavorable balance of $5 millions. This is more than offset by a favorable balance of about $6 millions annually with the United Kingdom, and of $6.5 millions with "other countries."

Import figures for last year indicate that they are widely distributed among a variety of goods. Most important are items of $2.4 millions for clothing and textiles, about half from the United Kingdom and the remainder from the United States and Canada. Other important products include $1.6 million in meats, mainly from Canada and the United States; flour, $1.8 million, mainly from Canada and the United Kingdom; coal, $1.3 million, mainly from the United Kingdom; and machinery, $500,000, mainly from the United States.

Newsprint Exports

By far the principal item of exports is newsprint. This amounted to almost $14 millions in 1936 and accounts for more than 80% of all exports to the United Kingdom and 70% of those to the United States. Fishery products are next in line, amounting to $7.3 millions in 1936. They are closely followed by mineral products valued at $6.3 millions.

Leading countries to whom Newfoundland sells and from whom she buys are as follows:

Newfoundland Trade

	1936	1935
	$	$
Imports:		
Canada	7,635,451	7,154,731
United States	6,199,929	5,700,234
United Kingdom	5,232,606	4,683,940
Ceylon	273,819	316,281
Denmark	216,803	165,638
Total imports	20,691,094	19,240,425
Exports:		
United Kingdom	11,327,187	10,316,579
United States	6,219,925	5,171,646
Canada	2,866,800	2,183,624
Belgium	2,539,685	1,807,931
Spain	1,041,622	1,376,505

More Cars

Automobile Sales Mount Steadily in Newfoundland

Automobile sales in Newfoundland have been mounting almost steadily in recent years, despite lean years in the fishery.

Sales of new automobiles in 1936 numbered 373, bringing registrations for the year to 4,365. This represents an increase of 451 cars over the previous year. Last year's sales included a wide variety of makes, with most of the names familiar in Canada being represented. An interesting development of the last few years is the very substantial increase in the number of commercial vehicles. In 1936, 141 new trucks were sold; total registrations amounted to 895.

Comparative figures of registrations for the last three years, and 1936 sales of automobiles by the make of car, are as follows:

Vehicle Registrations

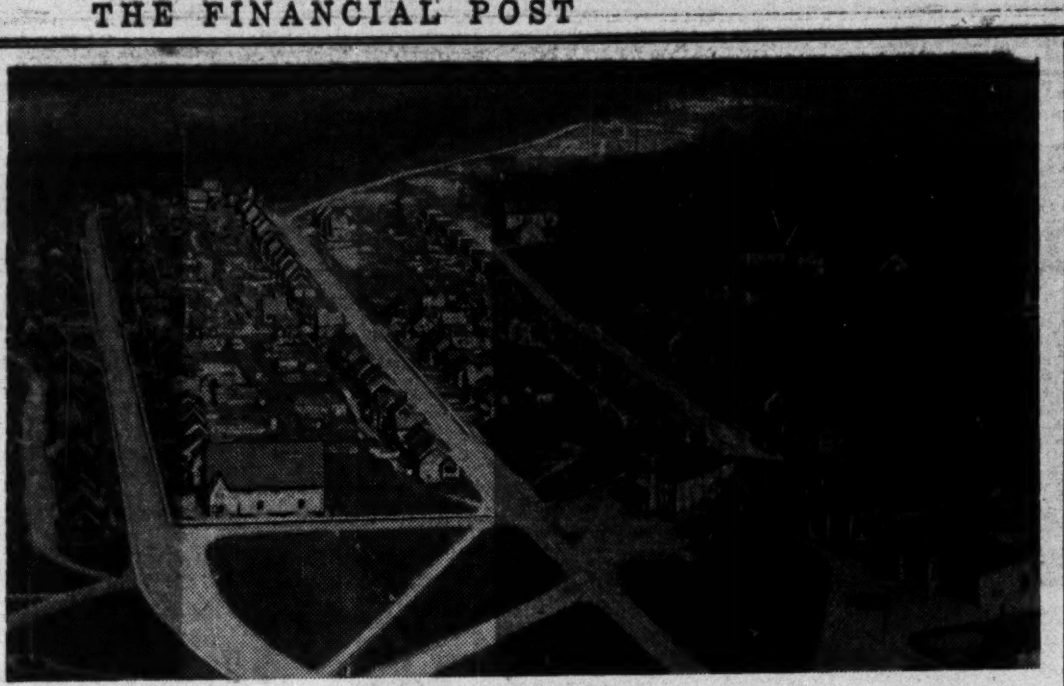
	1936	1935	1934
Motor cars	3,326	3,055	2,664
Trucks	895	720	597
Cycles	144	139	112
Total	4,365	3,914	3,373

New Car Sales, 1936

Chevrolet	96
Buick	4
Oldsmobile	5
Pontiac	7
Vauxhall (Eng)	1
Ford	63
Nash	32
LaFayette	37
Chrysler	17
Plymouth	35
De Soto	7
Dodge	19
Studebaker	11
Auburn	6
Terraplane	10
Hudson	2
Willys 77	6
Morris (Eng.)	5
Austin (Eng.)	3
Reo	3
Graham	4
Packard	1
Total	373

Newfoundland Stamps in Popular Demand

Always popular with collectors, some commanding unusually high prices, Newfoundland stamps are continually in demand. An instance was afforded recently, in connection with the new coronation stamps issued by the "first colony." On May 12, the first day of their issue, orders for the stamps amounting to more than $30,000 were filled.



CORNER BROOK A COMPANY TOWN

Second only to St. John's in importance — and enthusiastic inhabitants may even dispute that — Corner Brook has become one of Newfoundland's largest industrial centres. Carefully planned, some idea of its layout and of the modernly constructed homes may be obtained from the photograph above, which shows an aerial view of a section of the town. Population, according to the 1935 census, was 6,374; no recorded figure was shown in the 1921 census returns.

Essentially a one-company town, it has been built up around the activities of the International Paper and Power Co. of Newfoundland, and has paralleled the growth of the newsprint industry, now the ranking industry of the country in respect to value of production.

16,000 Sq. Miles of Timber

Export From Newsprint Mills Last Year Valued at $14 Millions

To a very large extent, development in Newfoundland in recent years has been development of the forest industries. Disorganization of foreign fish markets and what some claim is a gradually dwindling demand for her basic fishery products, has created the all-important problem of finding alternative employment for those whom the fishery is no longer able to support. While this century has seen considerable development in agricultural and mining, the major growth has been in the forest industries.

Of Newfoundland's area of approximately 42,000 sq. miles, it is estimated that between 15,000 or 16,000 sq. miles are timbered. Of the country's total area, about 3,500 sq. miles were held in fee simple by individuals or companies. Some 17,000 sq. miles are held under lease or freehold. And the balance of 21,000 sq. miles represents Crown land.

Newsprint Most Important

By far the most important phase of forestry operations is the business carried on by the two large newsprint mills. Anglo-Newfoundland Development Co. and International Power & Paper Co. of Newfoundland exported paper last year to the value of almost $14 millions. This compares with export of dried codfish valued at $4.9 millions. It should not be assumed from this, however, that the newsprint business is three times as important to the country as a whole While employment is afforded to a very substantial number both at the mills and in the woods, the fishery is still by far the most important single industry in so far as employment is concerned. It is estimated that some 30,000 are directly employed in the fishery; about 7,000 by the newsprint mills.

Newfoundland, including Labrador, is recognized as one of the world's largest remaining sources of pulp timber. Authoritative figures are lacking, but one estimate places the pulp timber stands on the island at, roughly, 40 million cords. In Labrador some 30 million cords have been blocked out, and there may well be an equal supply which has not been blocked. Thus it is estimated that 100 million cords would not be far out of line.

Third Mill Still Possible

It has long been felt that a third mill, probably on the timber area, would go far to solve many of the important problems which face Newfoundland at the present time. Up for discussion over a 30-year period, no definite decision has as yet been reached on this point, although high hopes were held as recently as a year ago. Current opinion is still hopeful, although if and when a mill is established it probably will not be as large in scope as those which are already in the field.

The outlook for the paper-making industry in the island is considered brighter, particularly in view of the fact that prices are tending to rise. During the past year, mills at Grand Falls and Corner Brook were operating nearly to full capacity, and it is estimated that about 450,000 cords of pulpwood were cut. In the 1935-36 season, the Anglo-Newfoundland Co. cut 206,186 cords and the International Paper 223,720 cords. The estimated cut for 1936-37 places the Anglo-Newfoundland cut at 230,000 cords, and that of the International 215,700.

Employment Figures

In respect to employment, the Anglo-Newfoundland last year employed an average of 1,631 men in the plant and 1,333 in the woods. International Paper enrolled 1,128 at the plant, but had 1,926 engaged in woods operation. The former company operated at 93% of capacity during the year with International Paper at approximately 90%. It is stated that the latter company plans an increase of up to 600 tons a day in output for this year. Last year's daily production was 543 tons.

Paper exports in the calendar year 1936 were 299,812 tons, of which 212,546 were shipped to United Kingdom markets. The balance was consigned to the United States. In the peak production period, 6,000 loggers were employed, and a similar number is expected to be hired this year. The two newsprint companies have entered into an agreement with the Commission of Government whereby loggers are guaranteed a minimum of $25 a month in wages in addition to board. The Government recently intimated that the question of improving logging wages and conditions as a result of information obtained within the past few years is under consideration.

Trade in Pit Props

More recently there has developed a profitable export trade in pit props. Exported from this country during the Great War, when a shortage of timber in the United Kingdom forced users of wood to seek other sources of supply this export has been continued up to the present time, but on a relatively small scale. In the last two or three years, however, the industry has been more seriously developed. It is estimated that a total of 72,000 cords valued at almost $400,000 was exported to the United Kingdom last year. And it is estimated that this year exports will run between 80,000 and 100,000 cords. The price of pit props now stands about $6.5 a cord in Newfoundland, approximately $1 a cord above last year's price.

Initiated a few years ago, in order to relieve unemployment, cutting timber for export employs approximately 2,000 men.

Domestic Lumber Industry

In addition to the pulpwood and pit props branches of the industry, more than 600 sawmills draw on the forests of Newfoundland for raw material for building lumber and miscellaneous timber products. Many of these mills are quite small, producing only for use of their owners and practically all lumber produced is consumed locally. The estimated value of their production runs about $1 million annually. It is unofficially estimated that some 40,000 cords are annually consumed by the sawmills.

Prices are said to be far out of line, and many question the economic value of this industry to the country.

Forest surveys and timber inventories are being conducted by the Government. Last year some 290 sq. miles were investigated, bringing the total covered to date to 780 sq. miles. It is planned to complete this work as soon as possible, and additional survey parties with the possible assistance of airplanes, are now under consideration.

I. P. of Newfoundland Cuts Its Losses

Despite a slowing down in production in the early months of the year, following upon a break in the power supply, International Power & Paper Co. of Newfoundland reports net sales in 1936 of $7.7 millions as against $6.7 millions in 1935. Net income available for interest and other charges was about the same, while the net loss after all charges of $364,179 compared with $442,222 the year before.

Balance sheet reflects a strengthening of working capital position, from $3.3 millions to nearly $4.2 millions. The principal change among assets is an increase in amounts owing by International Paper Sales Co. from $687,728 to over $2 millions. Among current liabilities a bank loan of $130,000 is shown. Since this report was issued, the loan has been liquidated. Amount due to International Paper Co. has declined about $61,000 to $981,736. Funded debt stands at $25.2 millions, an increase due to additional financing carried out in connection with the power development.

Income and Surplus Account
Years Ended Dec. 31

	1936	1935
	$	$
Net sales	7,702,406	6,731,284
Profit on exchange	34,082	9,142
Less: Cost of sales	6,231,558	5,240,022
Mortgage interest	295,456	243,300
Debenture interest	871,910	1,053,906
Depreciation	686,215	641,680
Bond discount	15,530	3,648
Net loss	364,179	442,222
Previous surplus	2,627,891	3,070,114
Surplus forward	2,263,712	2,627,892

Working Capital

	1936	1935
	$	$
Current assets	5,275,802	5,407,429
Current liabilities	1,095,112	2,089,891
Working capital	4,180,690	3,317,538

MARINE INSURANCE

Premiums written by Western Marine Insurance Co. during 1936 amounted to $27,578. Hull insurance premiums accounted for $26,158 after allowance for rebates, the remainder comprising cargo business. Interest received in the year amounted to just over $4,000, bringing total revenue to $31,580.

After payment of claims amounting to $23,987, and allowing for all administrative expenses and reserves, the company's statement shows a profit for the year of $1,855. The balance sheet shows total assets of $104,685, most of which consists of $104,685, most of which consist securities.

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Int. Paper Output

Plans Considered to Increase Capacity of Corner Brook Plant

Newsprint manufacture now vies with the fisheries as the most important source of new wealth in Newfoundland. In the last 12 years exploitation of the timber resources, for the manufacture of newsprint paper, has developed into the Island's outstanding industrial activity. There are only two companies operating in this field, and of these, International Paper and Power Co. of Newfoundland is of particular interest in Canada, owing to the operation of affiliated companies here and in the United States.

Ahead of 1936

Production at the company's Corner Brook plant has been running at capacity this year, output being well ahead of 1936. In comparing with last year's returns, however, it should be remembered that during the early part of 1936 an accident at the Deer Lake power plant resulted in cutting off the power supply for the newsprint mill. As a consequence operations were on a restricted basis until the end of April.

In order to remedy the damage done by the accident at the power plant, and effect further improvements at the newsprint mill, the company spent nearly $700,000 during the past year.

Higher Price Benefits

Despite the restricted output in the early part of the year, the official statement for 1936 shows sales at $7.7 millions compared with $6.7 millions reported for 1935. An advance in the selling price of newsprint was responsible largely for this favorable showing. During the last 3 years the company operated at a small net loss after all charges. However, there was an increase in working capital.

At the moment prospects for the company and its operations appear to be particularly favorable. Demand for newsprint is advancing steadily and there is no apparent reason why operations should not be conducted at capacity for some time to come. The price of newsprint was increased on 1937 deliveries and a further substantial advance is planned for 1938. As a result the company has operated all its machines to capacity, provided more work, and increased wages to the employees.

May Increase Capacity

There is a possibility that before long the company will take steps to increase the capacity of the Corner Brook plant. For some time I. P. of Newfoundland has been flirting with the idea of installing one, and possibly two, additional machines. The matter has been under consideration for several months and it is understood there is no obstacle, as far as power supply and wood is concerned, to increasing capacity.

If the company goes ahead with this expansion programme, it will provide a substantial increase in woods operations, as well as providing for more employment in the mill.

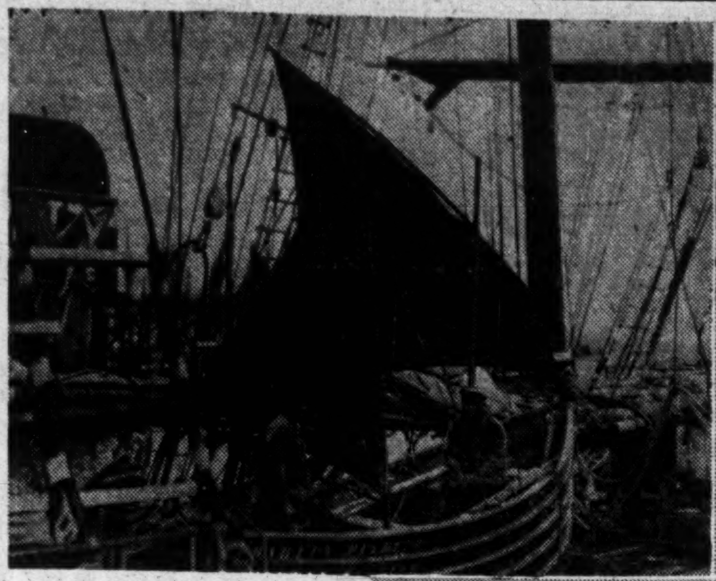
Another interesting development in connection with the company's operations has to do with the shipment of newsprint. In years past the company followed the practice of building up supplies during the winter months, when water-borne shipments are impossible. Recently the company made arrangements for establishing warehouse facilities at St. John's, permitting all year round shipments. This has made for more effective plant operations.

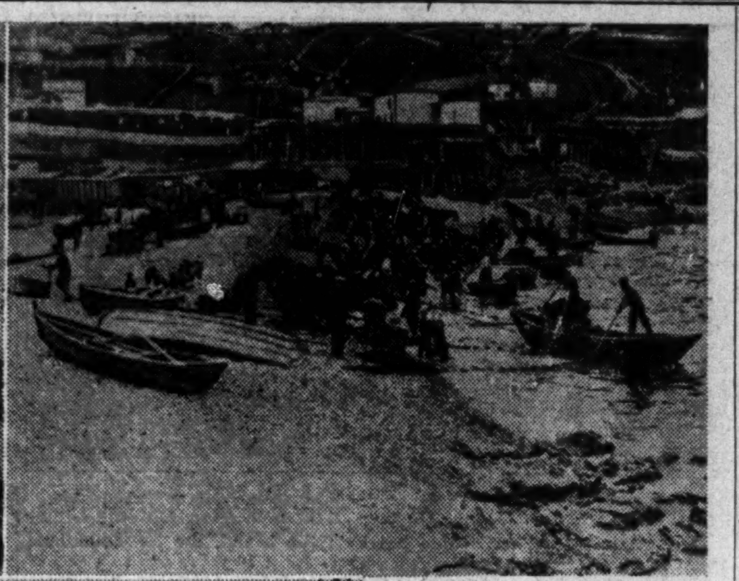
Salmon

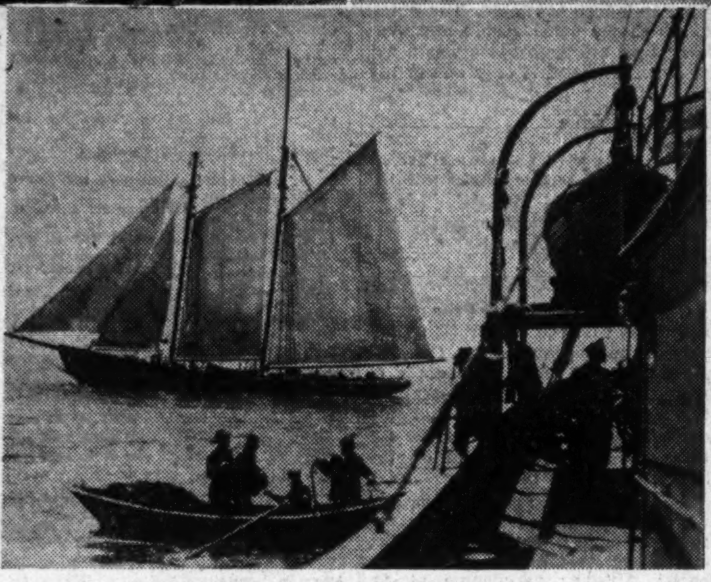
Fishery Output Lower But Export Value Up

The salmon fishing catch in 1936 fell off approximately 6% from the previous year's total. Shipments of frozen salmon during the year amounted to 2.6 million lb. as against a 1935 figure of almost 2.9 millions. Despite this, however, 2,000 cases of canned salmon were exported, 800 more than in 1935, and prices were slightly better. As a consequence, export values for the year ended June 30, 1936, amounted to $580,441, compared with $404,473 in 1935.

The pack of canned salmon was below that of 1935. There is practically no export demand and as a consequence the market is limited to local requirements. It is considered unlikely there will be any substantial export market until a more uniform pack is produced.







HOPES PINNED ON FISHERIES

Staple industry of Newfoundland for well on 400 years, the cod fishery still ranks as the industry which affords employment for most of her people.

In the photograph above and to the left bank fishermen are shown giving their equipment a last going over before setting out for the fishing fields. The small dories in which the fishery is conducted are to be seen at the bottom of the picture. One of these, actually at the Grand Bank, is shown in the photograph below just leaving for the day's work. In the picture at the upper right, the men are hauling capelin at Tor Bay.

Cod Fishery Plight

Results of 1936 Catch in Newfoundland Disappointing — Situation in Foreign Markets is Now Considerably Improved

As has since been reflected in relief expenditures, results of the 1936 codfishery in Newfoundland were most disappointing. This is true in two respects, as production was at the lowest in many years, and at the same time a number of the largest markets were disorganized.

The total catch is placed at 970,000 quintals, compared with the previous year's near-normal total of 1,230,000 quintals. The decline occurred in the shore and Labrador fisheries, the bank schooners bringing in 70,000 quintals more than in 1935. Comparative figures are as follows:

Codfish Catch

	Quintals 1936	Quintals 1935
Bank fishery	190,000	120,000
Shore fishery	470,000	710,000
Labrador fishery	310,000	400,000
Total	970,000	1,230,000

Exports Fair

Exports continued in fair volume during the year. Since last summer, the largest single market has been Brazil, with Porto Rico and Portugal following in that order. Export figures by countries for the period from July 1, 1936, to April 30, 1937, are as follows:

Codfish Exports
(July 1, 1936—April 30, 1937)

	Quintals
United Kingdom	25,092
Italy	22,401
Barbados & Trinidad	46,978
Spain	39,322
Portugal	153,193
Porto Rico	196,821
Greece	59,989
Jamaica	107,699
Brazil	245,267
Cuba	13,926
Canada	14,009
Others	32,132
	956,829

The short catch, while disastrous to many producers, was not without its advantages to exporters. With Italy's position uncertain, and Spain in the throes of a civil war, it was feared when the fishery began in 1936 that the experience of the previous winter, when a large carryover of cod had resulted in severe price-cutting among exporters, might be repeated. However, the relatively small catch, coupled with similar conditions in other producing countries, resulted in an active demand.

Brazilian Market

Consumption of cod in Brazil was steady throughout the season. Orderly marketing was aided by information of an association which included most of the exporters to that country. Opening prices were low, but continued to rise steadily throughout the season, particularly as the short supplies became apparent.

A special representative was sent by the Newfoundland Fisheries Board to Greece, where sales had been dwindling and complaints had been made as to quality. All shipments to Greece were subject to licenses issued by the board and the harmful practice of consignment eliminated. Demand and prices for both dry and wet salted cod were steady, and returns to exporters were better than for some time past.

In the British West Indies, Porto Rico and other markets, prices were correspondingly remunerative to exporters. Regulations prohibiting consignment sales to Porto Rico were continued during the year. Marketing in Portugal was orderly, despite the collapse of the Spanish demand.

Statistical Department

The Fisheries Board has recently set up a new department to collect and compile accurate statistics. All figures and other data relating to the catch, exports and stocks of Newfoundland codfish are now available to the trade. With comprehensive, up-to-date statistics available, a reasonable regulation of some markets and exporters working together to a greater extent than at any time in the country's history, it is believed that Newfoundland is now in a better position to conduct orderly and systematic marketing than ever before.

Newfoundland's codfishery is not a single unit, but is divided into three sections, all of which have their peculiarities and seasons. First is the winter fishery, conducted along the coast about Port aux Basques. This begins in February and continues through the spring. In March, the bank fishery begins. This is carried on chiefly by vessels from the Burin Peninsula and parts of Fortune Bay. It is usually divided into three periods, with a possible fourth when the schooners sail to Labrador later in the summer.

Shore Fishery

The shore fishery, which accounts for the largest single portion of the catch, begins in Hermitage, Fortune, Placentia and St. Mary's Bays shortly after the banking voyage gets under way. It extends along the coast gradually, until late in May, fishermen near St. John's begin taking fish.

By late June, Labrador fishermen are on the move. Some, known as "floaters" go in schooners. Others go in groups and fish from the shore. These are usually engaged by the firm which operates the "room" or fishing station, and are termed "stationers."

As yet it is too early to estimate production in any but the winter fisheries, which were quite good. Competition was particularly keen among buyers, and fishermen received good prices. An unusually large proportion of the catch was sold for export fresh or as frozen fillets.

Grand Banks Takes Prize

Grand Bank, off Newfoundland, is the best fishing "spot" in the north Atlantic.

In a somewhat novel survey, the government-operated fishery research laboratory has found that fish are more plentiful there than in any other favored grounds. In terms of the average catch to be obtained by a steam-trawler for each 100 hours fishing, comparative figures are as follows:

Grounds:	Cwt.
Grand Bank	2,850
Bear Island	1,625
Norwegian Coast	1,195
Barents Sea	1,139
Iceland	940
Faroe	397
Rockall	315
North Sea	106

$2.5 Millions Expansion

Anglo-Newfoundland Company to Continue Programme of Extension — Newsprint Production Up for 1936 — Earnings From Mines Advance

An extensive expansion programme calling for expenditure of $2.5 millions is planned for 1937 by Anglo-Newfoundland Development Company. The programme follows a considerable amount of work completed last year and will add materially to the efficiency of the mill.

For the last few years, the company has been operating at capacity or near capacity. Production in 1936 was 159,615 tons of newsprint. While not quite up to the previous year's record high of almost 165,000 tons, this figure ranks among the highest in the company's history. Entire production is sold to the Rothermere interests by whom the company is controlled.

Last year the number of employees varied between 2,000 and 3,900 with an average on the payroll of 2,920. Wages paid in Newfoundland during 1936 amounted to almost $3.1 millions. Since originally incorporated in 1905 wages and salaries distributed in Newfoundland aggregate more than $60 millions. The company also makes a substantial contribution to the welfare of the country in its purchases of supplies which amount to well over $1 million annually and have on occasions reached a peak of $1.8 million.

Power Development

One of the main projects on which the company is embarking this year is an electric power development. This will consist in doubling the size of the existing intake installation, of a 27,500 kv.a. vertical generator directly connected to a 32,000 h.p. water wheel, 2,150 lineal ft. of steel penstock, and the necessary structure to house the power unit and finishing apparatus. For regulating purposes, a third tank will be installed. This will be of steel construction, 73 ft. in diameter, capable of holding 1 million gals. of water.

Other construction includes a new block storage bin capable of holding a full day's consumption, an extension to the grinder room with space for a total grinder capacity of 150 tons daily and additional screen sorters to handle increased ground wood production.

Wood handling at storage capacity will also be extended to enable the increased production demands to be handled. An unbleached sulphite system, including accumulators, screens and a sulphite drier machine will be installed. The drier will be separately housed in a new building of steel and concrete covering an area of 10,000 square ft. In addition to this three of the existing small paper machines will be thoroughly renovated and some of the other machines speeded up.

1936 Expansion

In 1936 four major extensions were completed. These comprised a new core storage of fireproof construction, new mechanical shops, a new locomotive shop and modernization of wood handling system.

Net profit of the company in 1936 amounted to $673,718 after providing for debenture interest and redemption, compared with $553,988 in the previous year. The company which is controlled by Associated Newspapers, and supplies the Daily Mail and other newspapers of the Rothermere group with newsprint, paid dividends of 6% for the year, leaving a balance of about $1.4 million to be carried forward.

During the year another cargo boat was ordered, capable of carrying 5,500 tons of paper, and it is expected that this will be ready in April, 1938. The company, through a subsidiary, will operate three steamers, which will cover the greater part of transport requirements and protect it against any undue rise in freight rates.

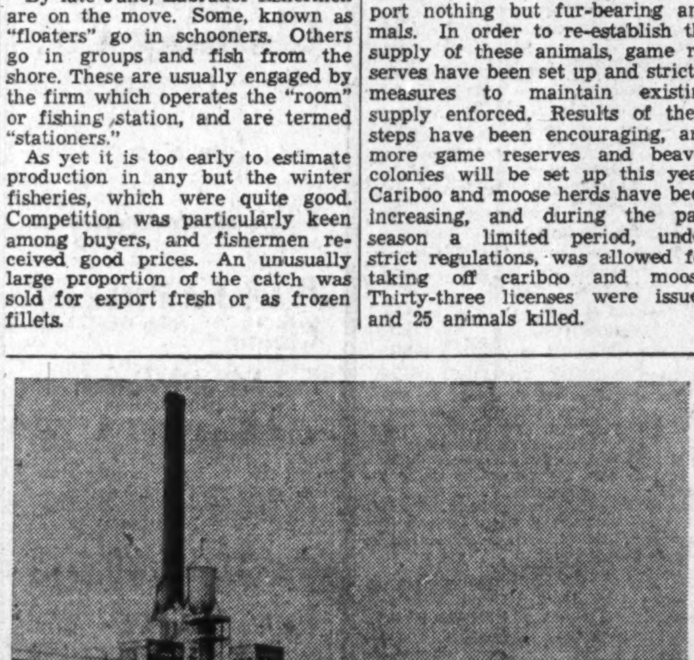
In addition to newsprint business, the company also owns 98% of the capital of Terra Nova Properties, which holds mineral and mining rights under a 99-year lease, over some 2,320 square miles of territory in Newfoundland. Buchans Mines, a subsidiary of American Smelting & Refining, has the right to prospect and work mineral deposits on parts of this territory, and is entitled to 50% of the net profits after interest and amortization charges.

Buchans Output

Last year Buchans milled 433,000 short tons of ore and produced 180,732 short tons, of different classes of concentrate. Earnings were more than sufficient to wipe out arrears of annual amortization and interest and to cover current charges, with the result that Terra Nova Properties was entitled to a participation in profits in the last half of the year. This share of profits amounted to about $448,000 in 1936 and an interim distribution amounting to $250,000 was made by Terra Nova properties last December and is included in the Anglo-Newfoundland Company's profit as shown above. Since the end of the year metal prices have risen substantially, and should these prevail throughout 1937, Terra Nova properties will likely receive a substantial increase by way of distribution this year.

Government Considers Plan To Encourage Fur Farming

A prospective big industry in view stands for extending fur farming generally, and silver fox and mink ranching particularly are under consideration by the Newfoundland Commission of Government. It is estimated that at present some 80% of the country will support nothing but fur-bearing animals. In order to re-establish the supply of these animals, game reserves have been set up and stricter measures to maintain existing supply enforced. Results of these steps have been encouraging, and more game reserves and beaver colonies will be set up this year. Cariboo and moose herds have been increasing, and during the past season a limited period, under strict regulations, was allowed for taking off cariboo and moose. Thirty-three licenses were issued and 25 animals killed.



NEWSPRINT MILL EXPANSION

Above is shown a section of the existing Grand Falls plant of Anglo-Newfoundland Development Co. Already a huge venture involving employment of an average of almost 3,000 men, a programme of further expansion is being carried out this year. It is expected that the proposed extensions to the plant will entail expenditure in 1937 of about $2.5 millions.

The plant, working at capacity for the past several years, produced about 160,000 tons of newsprint last year, paying out in wages almost $3.1 millions.

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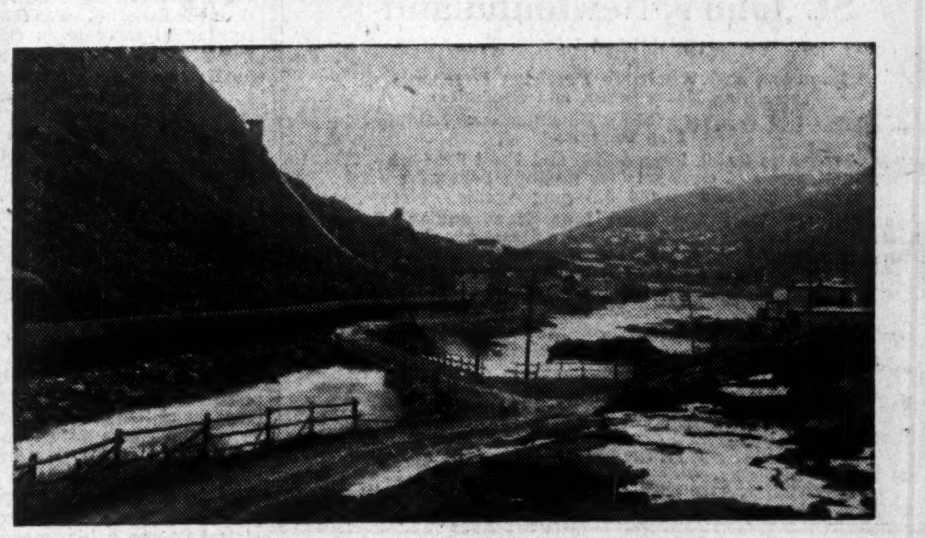


Power Facilities Expand With Industrial Growth

THE NEWFOUNDLAND LIGHT AND POWER COMPANY, LIMITED serves the needs of St. John's with electric lighting and heating, power to drive industries, and provides as well the street car service of the city. Power is also supplied for the Dominion Steel and Coal Corporation's activities at Bell Island.

In addition to the 7,000 h.p. development at Petty Harbor, some eight miles from St. John's, the company has completed a 5,500 h.p. hydro-electric development at Pierre's Brook. The installations are linked for greater efficiency, either plant automatically carrying the load, which can be switched from one to the other in a few seconds.

The present company was formed in 1924. In that year the number of light and power customers totalled 4,788. This figure has risen to over 8,850. The average growth of domestic consumers is between 300 and 400 yearly.

NEWFOUNDLAND LIGHT AND POWER COMPANY
LIMITED
ST. JOHN'S NEWFOUNDLAND

Newfoundland Banks

Four Canadian Institutions Operate 25 Offices on the Island — Newfoundland Savings Bank Established in 1834 Discourages Large Deposits

Commercial banking in Newfoundland means, in effect, the four Canadian banks which operate in that country. The Newfoundland Savings Bank also accepts deposits, but it is essentially a savings rather than a commercial institution.

Two local banks, the Union and Commercial, were founded about the middle of the last century and for some years were the only banks serving the mercantile community. In 1894, however, the Commercial Bank failed and dragged the Union down with it. Shortly afterward, the Bank of Nova Scotia opened a branch in St. John's, and was followed by the Bank of Montreal, the Royal Bank and the Canadian Bank of Commerce. These four banks now operate a total of 25 offices in Newfoundland. Twelve are branches of the Nova Scotia, six of the Montreal, five of the Royal and two of the Commerce.

In recent years there has been a trend toward lower deposits with the Canadian institutions. In the last two years, for instance, there has been a decline of about $3.6 millions in the balances maintained with the four banks named above. On the other hand, depositors with the Newfoundland Savings Bank have increased their balances by some $900,000.

Business Affects Deposits

Canadian bankers suggest that the explanation lies largely in generally depressed conditions following the poor fishery years. The higher total of the Newfoundland bank is due largely to the higher rate of interest which is paid on deposits.

The trend of deposits over the past three years has been as follows:

	1936 $	1935 $	1934 $
Nova Scotia.	8,159,631	8,406,069	8,917,998
Montreal ...	8,106,603	8,662,717	8,992,917
Royal	3,955,839	4,389,784	4,529,949
Commerce ..	932,502	992,818	1,435,297
Newfoundland Savings Bk.	2,720,970	2,343,378	1,813,474
	23,875,545	24,794,766	25,689,635

The Newfoundland Savings Bank was established in 1834, on the grounds that it would "greatly tend to encourage and promote habits of industry, economy and sobriety among the poor and laboring classes of the community."

That object has been kept in view in the 103 years which have intervened. The bank has discouraged large deposits and has maintained interest, until very recently, at the 3% rate originally established. Difficult conditions in recent years, however, have made it extremely difficult for the bank to invest excess liquid funds at a rate of interest which would yield sufficient profits to build up a general reserve of 20% as required for depreciation, and the bank has been forced to make some reduction. Current rates are 3% on personal, charitable, and trust accounts up to $5,000. Any balance over that amount carries interest of 2½%. Corporation deposits bear 2%. The bank reserves the right to refuse any deposit of more than $5,000, and, in event of acceptance, to make special arrangements in regard to interest.

Profits Higher

Profits of the bank in the year ended June 30, 1936, were $24,848, compared with $8,375 in the previous six months.

The bank is under the direction of the Commissioner for Finance who is assisted by an Advisory Board of three appointed by the Governor. Funds may be invested in a manner approved by the Commissioner, so long as they are not discounted or loaned upon bills of exchange, promissory notes, bills of lading, warehouse receipts, or other negotiable instruments, or loaned upon the personal security of individuals. As with the Canadian banks, loaning of money against the security of real estate is vetoed. Deposits in the bank and interest payable on them, are backed by the general revenue of the island.

Deposits with the bank have fluctuated widely. A peak was reached away back in 1894, when deposits amounted to more than $3 millions. Following the failure of the two local banks in the same year, there was a run on the savings bank, and, although it was under considerable strain for a time, it weathered the storm. However, it suffered a serious reduction in the amount of its deposits. A low was reached in 1899 when deposits were $1.1 million and from that time until the failure of the Government to raise a loan in 1932, deposits increased steadily, although very slowly. In 1932, the financing failure, and general financial difficulties resulted in a decline of $500,000 in deposits to $1.6 million. However, since 1933 they have been climbing steadily.

Currency Changes

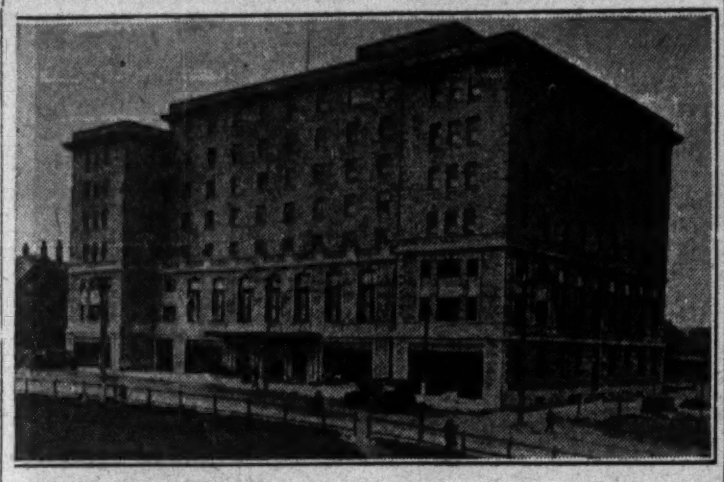
Until 1883, the currency of Newfoundland was pounds, shillings and pence, and the standard of exchange for the pound was fixed at the invariable rate of $4.80. From 1884 on, however, dollar currency was adopted and with introduction of the Canadian banks, was placed with the Canadian dollar on a par value of $4.86 2/3 in regard to sterling.

Canadian bank notes in denominations of $5 and up are legal tender. Notes of $1 and $2 denominations have been issued by the Newfoundland Government since 1919, but circulation is very restricted. More popular are the silver coins in 50, 25, 20, 10 and 5 cents and the humble copper. The unwary visitor is apt to be fooled by the similarity in the 20- and 25-cent pieces. These are of the same size, and the reverse sides are much alike. The 25-centers, are relatively rare, however.

Due to the scarcity of $1 and $2 notes, the most widely used coin is the 50-cent piece. As a consequence, a visitor who purchases a number of small articles with $5 bills will find himself almost bogged down by the weight of an accumulation of 50-cent pieces.

Relief Roll

The number of Newfoundlanders on the dole at the end of April this year was 78,677, compared with 75,410 in the previous year. Outlay for the month amounted to $150,000, approximately $11,000 above the 1936 total.



MODERN HOTELS

Largest and most up-to-date hotel on the island, the Newfoundland Hotel at St. John's boasts 200 guest rooms. Built 10 years ago at a cost of more than $1 million, equipment is the most modern available. The hotel, which is operated by the Government, has shown considerable improvement in operating results in the last few years, although there was a net loss last year of more than $10,000. The Newfoundland is only one of the excellent hotels in the country.

Mineral Exploration Work Will Continue in Labrador

Canada might have bought Labrador from Newfoundland for a million dollars or so before the Privy Council Labrador award of 1927. She could have bought it for around $20 millions a year or so afterward or for about $120 millions still later. Whether Canada was unwise in not entertaining the $120 millions proposal time will tell. An official of the Newfoundland Government recently informed The Financial Post that the Government was interested in the rumors of highly promising mineral discoveries in Labrador.

Last year the Labrador Mining and Exploration Co., a Canadian concern, secured a permit from the Government of Newfoundland to undertake exploration over a large portion of southern Labrador. Airplanes were used in conjunction with ground parties and the work went on quietly during the summer.

One of the provisions of the agreement was that the exploration company should provide the Government with confidential reports of the result of its survey and exploration, and it is believed that the optimism referred to about the future of Labrador is based on the information thus secured.

Already plans for this season's work are being arranged by the company and some of its planes which are now housed at the Imperial Airways aerodrome at St. John's will likely soon be groomed for their summer's work.

So far the only activity in which Newfoundland has any share on Labrador is the cutting and export of pit props from Alexis Bay, by the Labrador Development Co., a concern promoted by J. O. Williams, a Welsh timber man.

Key Officials

The following revised list of Newfoundland Commissioners and leading Government officials will acquaint readers of The Financial Post with those occupying key positions in the country's administrative organization.

His Excellency Vice - Admiral Sir Humphrey Walwyn, K.C.S.I., C.B., D.S.O., Governor, Commander-in-Chief and Chairman of the Commission of Government.

Hon. W. R. Howley, K.C., Commissioner for Justice, Attorney-General, and Vice-Chairman of the Commission.

Hon. R. B. Ewbank, C.S.I., C.I.E., Commissioner for Natural Resources.

Hon. Sir Wilfrid Woods, K.C.M.G., Commissioner for Public Utilities.

Hon. J. C. Puddester, Commissioner for Public Health and Welfare.

Hon. J. H. Penson, M.C., Commissioner for Finance.

Hon. J. A. Winter, K.C., Commissioner for Home Affairs and Education.

W. J. Carew, C.B.E., Secretary to the Commission and Secretary for Home Affairs.

H. B. Carter, Acting Secretary for Justice.

Claude Fraser, Secretary for Natural Resources.

Brian Dunfield, K.C., B.A., Secretary for Rural Reconstruction.

Raymond Manning, Secretary for Public Works.

H. M. Mosdell, M.D., Secretary for Public Health and Welfare.

Walter M. Marshall, Acting Secretary for Finance.

P. D. H. Dunn, Chairman of the Board of Customs.

H. V. Hutchings, Secretary for Customs, M.B.E.

L. W. Shaw, B.A., General Superintendent of Education.

H. J. Russell, General Manager of Railway.

Dr. A. K. Snelgrove, geologist.

J. Turner, M.C., Forestry Officer.

A. B. Banks, B.S.A., Director of Agriculture.

C. G. D. Frazer, Secretary for Posts and Telegraphs.

Hon. Sir William H. Horwood, Chief Justice, Supreme Court.

Hon. J. M. Kent, Judge, Supreme Court.

Hon. W. J. Higgins, Judge, Supreme Court.

Rt. Hon. Sir W. F. Lloyd, K.C.M.G., K.C., D.C.L., Chief Clerk and Registrar, Supreme Court.

John Cahill, Sheriff.

I. Wild, Comptroller and Auditor-General.

D. J. Davies, C.B.E., Trade Commissioner in London.

Shell Oil Associate Builds $100,000 Plant

A new factory is being constructed near Clarenville, Newfoundland by Colas Roads, Ltd., a firm associated with Shell Oil Co. It is expected that the plant will have a capacity of 2,000 gallons an hour, and that cost will run about $100,000. It will house the necessary equipment to convert asphalt into a road binding compound.

The company, whose product has been used extensively for road work, has a contract to supply all the necessary "Colas" to the new airport, which covers an area of about 1.2 million square yards.

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Balancing Newfoundland's Budget

Grant in Aid of $2.1 Millions from Britain Eliminates 1937 Deficit — Revenues and Expenditures Both Increasing

It is likely that when Newfoundland accounts for the current fiscal year are analyzed next month, both revenue and expenditure will be substantially above the estimated figure

Last July, the budget for the financial year which ends in June 30, 1937, was balanced at just over $11.9 millions. Ordinary revenue was estimated at $9.1 millions and expenditures at slightly under $12 millions. In addition to ordinary revenue, provision was made for advances from Colonial development funds of $688,000, and for a grant in aid from the United Kingdom Government of $2.1 millions, bringing total revenue to an estimated figure of $11.8 millions. A further sum of $131,145, required to balance the budget, was to be drawn from Newfoundland exchequer balances.

Revenue Satisfactory

Experience in regard to revenue during the first six months of the year was most satisfactory. Improving conditions in industries other than the fisheries, have resulted in a substantial increase in customs receipts. The paper and associated industries have shown steady forward progress as compared with the fishing industry, where an unprecedently low catch was aggravated by poor demand in autumn months, when fishermen disposed of their catch at low prices. Total revenue for the first six months of the year was $5.4 millions as compared with $5.1 millions in the preceding year. This improvement is entirely due to an increase in customs duties, the total of which advanced $400,000 to almost $4.4 millions in the six months period.

Unfortunately, it is likely that the improved revenue for the first six months of the year will be offset by a stiff increase in expenditure on relief. Low prices obtained by the fishermen have entailed a very substantial proportion of the population, about one quarter according to latest figures, being forced on relief, and the consequent strain on the government finances has been very pronounced.

The probable outcome of the 1937 fiscal year is not unlike that of 1936. In the latter year, estimated revenue was placed at $9.2 millions, of which $6.9 millions was to come from customs and excise duties and $900,000 from direct taxation. Actually, ordinary receipts during the year totalled $9.7 millions. Apart from customs receipts, no item of importance in ordinary revenue account failed to show some increase over the estimated total. Particularly notable was an increase of more than 25% in receipts from income tax, owing mainly to increased earnings of the industrial companies in the island, and to payments of arrears by the ordinary taxpayers.

Expenditures Higher

On the other hand, expenditure was also higher in the last fiscal year. Estimates called for a total of slightly under $11.9 millions for the year, whereas the actual figures on ordinary account were slightly in excess. Gross expenditure for the year included, in addition to this figure, an amount of $1.1 million on schemes financed from the Colonial development funds, bringing the total to just over $13 millions.

Reason for this sharp increase in total expenditure may be subdivided into four. First is an outlay on the trans-insular highway, which was expected to be completed in about five to seven years. Expenditure on highway works in the financial year was about $350,000. It is understood that $1 million out of the $2 millions which is expected to be the total cost of the highway as at present projected, has already been earmarked from the Colonial development fund.

Secondly, there was a major increase in expenditures on the railway and steamship lines. These include $300,000 spent on a new steamer, which is expected to considerably cut down operating expenses in future years. Under this heading also come the expenditures in regard to facilities for shipment by Anglo-Newfoundland Development Co. from St. John's during the winter months. Expenditure on the new steamer and the paper shipping facilities amounted to $448,000 as against an estimated $180,000 set aside for railway capital account.

Relief Expenditure

The unfortunate results of the previous year's fishery resulted in an unusually high relief bill. Expenditure in able-bodied relief during the year amounted to $1.3 million, $300,000 more than the estimated figure.

Finally, some $200,000 was spent during the year on repairs and maintenance of roads, public buildings, etc.

The budget for the financial year ended June 30, 1936, was finally balanced at $11.9 millions, with the assistance of a grant in aid from the United Kingdom of $1.8 million and by drawing $139,213 from Newfoundland exchequer balances.

Comparative figures of revenue and expenditure, classified according to the various departments of the government, are as follows:

GOVERNMENT ACCOUNTS

Revenue

	1935-36 $	1934-35 $
Finance	358,444.73	483,267
Customs	6,784,607.38	7,043,504
Posts & telegraphs .	655,027.35	837,626
Assessor	1,226,524.08	1,042,249
Home affairs	2,486.64	9,699
Education	77,102.79	......
Justice	5,193.96	16,426
Natural resources ..	168,985.82	314,297
Public works	111,339.20	31,064
Public health & welfare & war pensions	116,104.86	78,777
Board of liquor control	275,000.00	......
Colonial development fund	49,194.40	......
Totals	9,830,011.21	9,556,909
Deduct: Equivalent in dollars of amts. received in sterling	85,994.89	
Rev. rec. in dollars	9,744,016.32	

Note:—In 1934-35 revenue from the Board of Liquor Control ($183,776), representing profits surrendered, and revenue arising out of expenditure charged against Colonial Development Fund Schemes ($1,364), were paid into the Exchequer under the Heads of the Departments of Finance and Natural Resources respectively. Pension contributions received from teachers (Department of Education) were formerly paid into a separate fund.

Expenditure

	1935-36 $	1934-35 $
Public debt services* ..	3,053,876	3,032,728
Statutory salaries	41,140	44,263
Totals, consolidated fund services	3,095,016	3,076,991
Finance (includ. grants to the Newfoundland Railway)	941,795	596,260
Customs	268,741	273,736
Posts & telegraphs	671,779	713,229
Assessor	21,501	11,742
Home affairs	41,932	40,568
Education	956,168	716,807
Justice	542,957	512,613
Natural resources	830,646	1,099,082
Public works	1,682,895	841,537
Public health and welfare war pensions ..	2,797,577	2,670,461
Labor	......	......
Colonial develop. fund services	1,098,313	1,061,846
Board of Liquor Control	58,886	......
Totals, supply services	9,913,190	8,557,881
Gross totals	13,008,206	11,634,872

* Public debt services include interest, repayment of loans, and expenses of raising or converting loans.

In the three years comprising the term of Newfoundland's first commission of government, the United Kingdom was required to pay out no less than $4.3 millions to defray the deficits incurred.

Public debt of Newfoundland outstanding at June 30, 1936, amounted to $20,163,226. Almost the entire public debt was converted at the end of 1933 into a new sterling stock bearing interest at 3% and guaranteed both as to interest and principal by the government of United Kingdom.

In addition to the public debt, there is a debt of $625,000, bearing interest at 3%, owing to the four Canadian banks which operate in the country. These loans are guaranteed by the Canadian Government.

Liquor Profits Show Increase for the Year

The importation and sale of spirits, wines and beers in Newfoundland is controlled by the Government. Net receipts during the year ended June 30, 1936, amounted to $777,705. Net profit was increased by $59,731.20 to $232,701.60, as against $172,970.40 for the 12 months ended June 30, 1935, and $160,103.86 for the 12 months ended Jan. 31, 1934.

The Liquor Control Board paid import duties to the department of customs amounting to $304,226.98. The total net profit to the Island from the liquor business for the year was thus $536,928.58.

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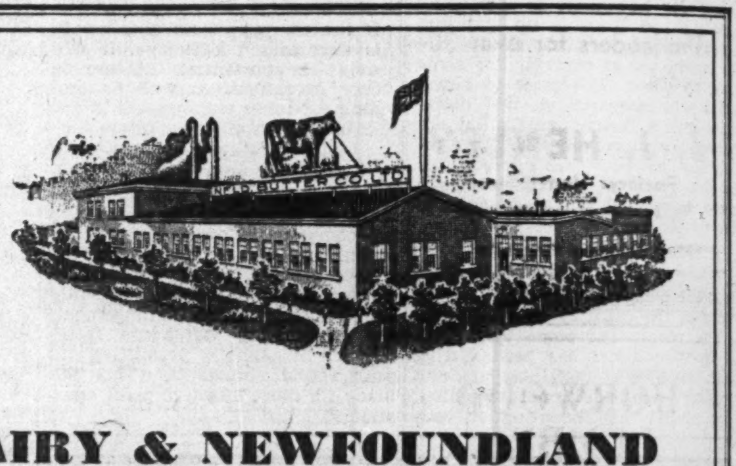

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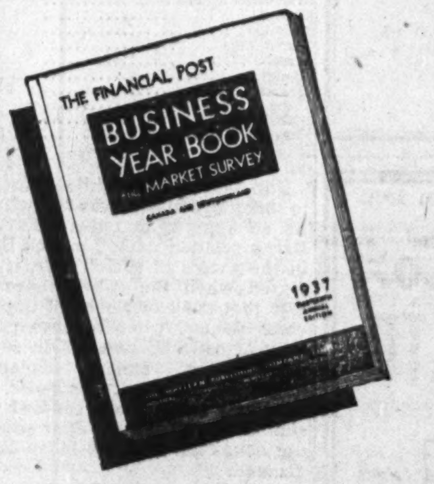

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Newsprint Dreams

Gander Mill Still a Big Question Mark Although Officials More Hopeful — Project Would Solve Many Difficulties in Newfoundland

Prospects for a new mill on the Gander timber areas of Newfoundland have taken a decided turn for the better. What the reason is has not been disclosed, but high officials in the Government, very dubious as recently as a month ago, are now reported to hold out guarded hopes that a mill of some kind may be established in the immediate future. There has been a definite change in the Government's attitude.

Newfoundland opinion, disappointed by so many false hopes, would welcome almost any kind of a mill. The Island has waited for almost 30 years for its construction. Today, talk of a mill on the Gander is apt to produce an incredulous smile on many faces, but most Newfoundlanders are still convinced that is has "got to come."

When, in 1927, the Monroe administration passed an act granting the Gander Valley Power and Paper Company certain valuable concessions, belief was general in Newfoundland that establishment of a newsprint, or at least a pulp mill, somewhere on the shores of Gander River was within measurable distance of accomplishment.

A year or so later, with a change of government, the project still held fire and covert charges were freely bandied about in the House of Assembly that the Government of the day had deliberately placed obstacles in the way of the project.

Ten years later "The Gander" is still an unaccomplished fact and apparently no nearer accomplishment than it was in 1927, if as near.

The Gander timber areas, situated around the shores of the 30-mile-long Gander lake and the 30-mile Gander river, comprise 5,400 square miles. Not all of this area is timbered; some is lake and pond, some is barrens on high land, but generally speaking the area contains the finest stand of spruce wood in the whole of Newfoundland. It has not been logged since 1908 when the lumber company operating there ceased work.

Gander History

In the last decade of last century a lumberman named Sterritt operated a sawmill at Glenwood. At the beginning of the 20th century he sold out to Lewis Miller, a Scottish lumberman from Crieff, who built a modern sawmill at Glenwood and another at Millertown on the shores of Red Indian lake.

Miller had barely completed his new mill at Glenwood, in 1900, when a disastrous forest fire swept it. But such was the dogged determination of the man that, while smoke was still swirling around his head, he sat on the scorched bank of the river and wrote telegrams ordering machinery for a new mill. Miller operated until 1905, when his rights were purchased by the Timber Estates, a company organized by Harry J. Crowe, a Nova Scotia promoter who was later to figure prominently in negotiations leading to the establishment of the first paper mill at Grand Falls. The Reid Newfoundland Co., which held a large part of the timber areas involved, was the major element in the Timber Estates, Ltd., whose existence as sawmill operators was to end within three or four years.

At Glenwood the big sawmill which had cut a maximum of seven million feet of lumber one year, was destroyed in 1909 by fire set by a demented girl. Millertown had already passed to the hands of the Anglo-Newfoundland Development Co. with the founding of the Grand Falls mill.

International Paper Interested

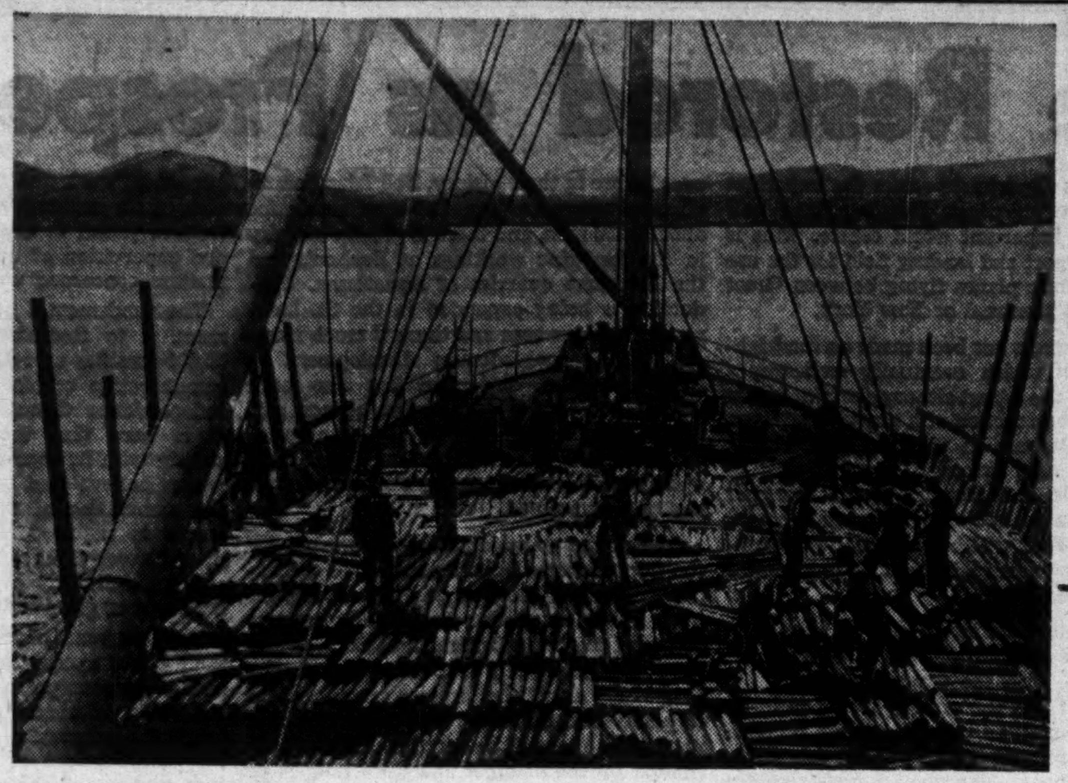
About 1928 some interest in the Gander area was shown by International Power and Paper Co., of Newfoundland, who had not long before taken over the Armstrong-Whitworth newsprint mill at Corner Brook. Engineers made a survey of the possible hydro development on the Gander and also surveyed a possible route for transmission of electric power from their own generating plant at Deer Lake. But nothing came of it.

Reports from sources in close touch with the Reids, on the one hand, and from Government sources, on the other, indicate that while possibilities for the establishment of a newsprint mill are rather remote, there is hope for the creation of a sulphite pulp mill. The Reids are anxious to see such a mill because their rights are mortgaged to Alan Butler, of deHaviland Co., England, and they want to realize on this property. The Government, on its part, confronted with the heaviest demands for relief experienced in any winter since the Commission assumed control, would greatly welcome any industrial activity which might free the relief rolls of 1,000 or more dole recipients. Neither interested party has, therefore, anything but the best reasons for expediting any negotiations that would lead to a "mill on the Gander."

Government Dubious

Until very recently officials held out little hope for a new newsprint mill in the immediate future. A high official in the Government told The Financial Post recently that while existing newsprint mills could probably double their output by reconstruction, costing only a million or so, it was difficult to induce capital to spend a sum of $25 millions to $30 millions in the construction of a new paper mill. This official referred to additional construction now going on at Grand Falls, work which will lead to the Anglo-Newfoundland mill producing a big increase over its present daily output.

Chances of a sulphite mill being erected on the Gander are somewhat better but existing rayon mills prefer to purchase their supplies of sulphite pulp rather than undertake construction of a mill themselves. Public belief in establishment of a rayon mill is not particularly well founded.



GROWING TRADE IN PIT PROPS

Of growing importance in recent years has been the development of an export trade in pit props, both from Labrador and Newfoundland. Most of the shipments are directed to Welsh coal mines, where the demand was formerly met by supplies from the Baltic. It is reported that orders for the Newfoundland product are so heavy that it is becoming difficult to meet requirements.

In the above photograph, men are shown loading deck cargo of Newfoundland pit props, consigned by Labrador Development Co., for the Cardiff, South Wales, coal trade.

Lead Mining

Newfoundland Lead Co. Holds 99-year Lease from Government

Newfoundland Lead Co. has been incorporated recently to develop mineral deposits on what is known as the Chalker property. Capitalization consists of $1 million, divided into 200,000 shares of $5 each.

The company's 320-acre property, situated about one mile from Fleur de Lys, is held on a 99-year lease from the Government and is subject to a royalty of 3% to the original holder on the value of all minerals mined and sold. Preliminary exploration work, carried out last year by a private English syndicate, disclosed a vein with indicated length of 1,500 ft., of which 710 ft. have been exposed.

To date, two shafts, one 30 ft. and the other 50 ft., have been sunk and a small amount of drifting done. Vein material is composed of partly brecciated quartz and calcite carrying well-crystallized galena. Mine buildings and a pier have been erected and a 50-ton ball mill and a flotation unit acquired. Diamond drilling will be carried on within the next month or so.

It is understood that the company plans to continue exploratory work on the property until such time as sufficient tonnage of ore has been blocked out to justify operation of a mill and concentration plant.

A block of stock has been subscribed for privately, but no public offering of shares is contemplated until the company has reached a more advanced stage of development.

Telegraph Services Show Small Surplus

Newfoundland showed a surplus on telegraph services last year for the first time in many years. Revenue was $243,016 and expenditures $223,266, giving a surplus for the year of $19,750. This is the most favorable operating result achieved in many years, and marks culmination of an almost steady improvement since the deficit of $330,593 in 1931.

Land line communication in many of the outport offices around the coast have been abandoned in favor of an extensive use of wireless. In 1934 and 1935, a large number of the outport offices were equipped with wireless instruments for working to multiple wireless stations situated at strategic points. The Government holds that this system provides a better means of communication, is less susceptible to weather conditions, and enables considerable annual saving to be made in the cost of line maintenance. Since 1931, 643 miles of mainline have been abandoned and 1,177 branch lines as well as 300 miles of line to communities. Cost of maintenance has been reduced from $89,089 in 1931 to $52,000 in 1936.

By-Product Farming

Holders of Small Plots Increasing Newfoundland's Agricultural Output — Only 10% of Population Full Time Farmers

The year 1936 brought increased activity and interest in Newfoundland agriculture, a development which will be further extended this year.

According to the report of the Commission of Government, the year, on the whole, was encouraging both to farmers and to holders of small plots of ground. The growing season was average or better, and practically all crops yielded well. Prices have been good, and for those who held their vegetables for the spring market in 1937, a good price was assured.

Acreage under cultivation in 1936 is estimated as being 20% above that of the previous year, while the yield per acre is estimated to have been over 10% above 1935. Probably attributable to the improvement in home production, material reduction has been shown in imports of eggs and potatoes.

The estimated value of field crops and dairy products for the year is $5.1 millions slightly higher than in the previous year. Livestock is valued at something over $3 millions, and an additional $600,000 worth was killed for food. Thus the total value of agricultural productions is approximately $8.7 millions. In addition to this, wild berries which are not included in the above total are valued at $239,450.

More Active Interest

Agriculture in Newfoundland has not been regarded as of primary importance in the past. This is due largely to the fact that the attention of the great mass of the people has always been directed to the sea. With the lack of remunerative employment in the last few years, however, the Government has encouraged the people to turn to the land as an alternative source of income.

As a whole, the Island is of rocky formation and is in many parts covered with peat. Except in very limited areas, there are no large stretches of mineral land, although the limited areas which do exist are capable of producing all the ordinary vegetable, fodder and pasture crops which are normally grown in a temperate climate. Little or no agricultural land is found in the interior and southwest coast, on account of a chalky formation. Definite agricultural possibilities, however, exist in the western and northern part of the Island, where deep, rich soils are found in the numerous river valleys, with a heavier and equally productive soil on the uplands and hillsides.

Drainage Experiments

In practically all parts of the Island are found thousands of acres of bog land, which if properly drained and developed would make splendid areas for pasture and hay and for some crops such as cabbage, celery and turnips. At the present time experiments are being conducted in drainage with a view to developing some of these areas.

At the present time only about 10% of Newfoundland's population is engaged in agriculture as a sole or even major occupation. However, the great bulk of the people have a small plot of land, on which they grow a material part of their food needs. That is to say, the man who is engaged in the fisheries, or in woods operations, finds that this takes up only a portion of his whole time. Consequently, he devotes a share of it to growing, generally in a somewhat rough-and-ready manner, whatever he can to assist in sustaining the family.

It is largely to encourage this "subsistence" farming that the Commission of Government has directed its agricultural programme. And it is toward improving and increasing crops of comparatively small farms or holdings that the Government will devote most of its energies in the future.

While the country produced $8.7 millions of agricultural products in 1936, importation of food products in the same year amounted to $3.9 millions. Wheat, meat and flour account for almost half of total imports, and it is unlikely that these could be profitably produced within the country. On the other hand, it is fairly well assured that a substantial proportion of the remaining half could be grown at home.

To encourage this to be done, the Government has adopted a system of bonuses. For instance, there is a bonus of $25 an acre on newly-cleared land. This is paid not in cash, but in machinery, seed, livestock or farm equipment at the option of the applicant. Some 321 acres have already been cleared under this plan and applications for the bonus in respect of a further 2,256 acres are in the hands of the Government. There is also a lime bonus. Samples of soil sent from many parts of the Island have indicated marked deficiency in lime, and owing to the high cost, very few farmers have been able to purchase as much as was required. Last year the Government adopted the policy of paying freight charges on all agricultural lime sold by manufacturers when below a certain maximum price. This policy has been of considerable assistance to farmers in making it possible to secure cheap lime. More than 2,000 tons were used in 1936.

Seek to Improve Stock

A considerable number of pure-bred stock have been purchased and are being distributed by the Government to communities interested in improving their stock. The department has now more than 800 breeding ewes as well as 200 young pure-bred rams on loan. Twenty-four pure-bred bulls have been purchased and loaned to various agricultural societies and communities, some 40 breeding sows were distributed through swine clubs and 400 young pigs were distributed last spring on a cash basis.

A demonstration farm has been established near St. John's and is being developed. After it is farmed, stock and seed are being produced for distribution throughout the country for the development of crops and livestock. In conjunction with the farm, an agricultural school has been organized with a number of students taking a one-year course in practical agriculture.

Up to the present, marketing has not been a major problem, owing to the demand for agricultural products being at most times greater than the supply. In particular, there is substantial demand for hay, which is now satisfied by importing. An effort is being made to introduce a simple form of hay pressed in order to facilitate the storage and transportation of this crop. The increasing supply of potatoes and other vegetables, however, is beginning to render it necessary to create an organization to control storage and marketing, and this problem is now under consideration by the Government.

An act to incorporate agricultural societies was passed last year and through this over 30 societies have been organized and registered. These societies receive grants in aid each year depending upon the amount of money they raise, and are proving to be a real benefit to the various communities. The Vegetable Grading Act has done a good deal in improving the quality of potatoes that are put on the market and has increased the popularity of the local grown potatoes to a large extent.

Growth is Recorded by Lobster Fisheries

The lobster has become one of the most important of the Newfoundland junior fisheries. Although actual figures of production are not available, exports last year were well above those in 1935. Live lobster shipments in particular recorded very substantial increase, rising from 22,178 lb. to 142,448 lb. Shipments of prepared lobster number 8,853 cases in 1935 and 15,199 last year. Value of exports is officially shown at $306,913, compared with only $167,991 in the earlier year.

Pit Props

Labrador Company Finds Difficulty in Meeting the Demand

Since the Labrador Development Co. was incorporated in 1934, it has shipped from Labrador a total of 36,000 cords of wood and from Newfoundland 78,000 cords. Each year has shown a higher total.

Indicative of the increasing interest in Newfoundland lumber exports, particularly in pit props, the company expects to export 21,000 cords from Labrador and 42,000 cords from Newfoundland in the current year. Newfoundland exports are purchased by this company from the Government and contractors. The company believes that the Government policy of restricting permits to cut from Crown land in the future, will lead to greater developments on the Labrador timber limits.

In addition to its Labrador interest the company also has an interest in Newfoundland itself. It holds contracts for the sale in England of 150,000 tons of wood annually to the end of 1938, most of which, it is expected will be taken from Labrador and Newfoundland. The market for this wood was formerly supplied by the Baltic countries.

Demand Increasing

Introduction of pit props from Labrador to the South Wales collieries has been a definite success. An increasing demand is evident and at the present time it is difficult to satisfy orders.

The company's settlement in Labrador, a small township at Hope Simpson, is showing expansion. In this settlement, which numbers about 10% of Labrador's total population, is a well-stocked store, a hospital and community hall. Last winter tractors were used for hauling wood for the first time in Labrador operations, and the company reports that the experiment was quite successful.

Co-operative Association Assists Home Building

Essentially a co-operative organization, Newfoundland Building and Loan Association aims at enabling those with moderate incomes to acquire their own homes, while making no more than an ordinary rental payment.

Membership comprises all who have subscribed for one or more shares in the association, and includes both investors and borrowers. Shares have a par value of $100 each and may be purchased outright or by monthly installments of as low as $1 a share. All profits earned, officers of the association state, are turned back to shareholders, after deduction only of administrative and overhead costs. No remuneration is paid to the directors.

President of the association is G. C. Crosbie, vice-president; H. P. Butt, and secretary-treasurer T. A. Lench. Other directors include F. W. Bradshaw, J. S. Lee, S. J. S. Woods, E. P. Nicholle and J. K. Clouston.

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Newfoundland Railway
St. John's, Newfoundland

Island's Confidence Restored as Prospects Brighten

(Continued from page 15)

the conditions under which canning takes place and is encouraging a trend toward centralized packing with much success.

The prospects of the herring industry were never brighter in spite of the comparative failure of the Scotch cure enterprise in the past two seasons. An agreement has been completed with the Santa Cruz Oil Company of San Francisco under which that company will have the right for two years to survey the coastal waters in order to determine whether the supply of herring is sufficient to warrant large-scale production of herring oil and meal. Should this investigation result satisfactorily, the company will have a monopoly of the right to process herring in all the South Coast bays for a 12-year term.

An interesting feature of this herring agreement was the calling together by the commissioner for natural resources of an advisory group of citizens to pass upon the terms of the contract. This was the first occasion during commission government that this gesture to public opinion has been made.

New Forestry Policy

Next to the fishery in point of numbers employed, far ahead of it in the value of its wage distribution, the forest industry is showing marked improvement as a result of the revived demand for and higher price tendencies of newsprint and pulpwood.

The great mills of the International Power and Paper Co. of Newfoundland at Corner Brook are operating at capacity. In the Rothermere-controlled mills at Grand Falls not only are operations at maximum efficiency but much work is being given in the improvement of and addition to existing plant.

Meanwhile the Government has announced a new forest policy which is the antithesis of the old Newfoundland idea of conserving all forest resources for local manufacture. The export of unmanufactured wood was for a long time considered a crime against the people but in 1932 a policy of bartering pit props for coal had valuable results in relieving winter unemployment and the export of unmanufactured wood has been permitted since that time in increasing quantities. The new policy would involve the granting of licenses of ten years' duration for the export of raw wood from privately-owned timber lands on the principle of selective cutting and with provision made for the conservation of the timber areas constituting the Gander reserves. This would be followed by the conservation of the wood on the three-mile limit, i.e., the coastal fringe, on which most export cutting has been done and licenses to take pulpwood from Crown lands would be subject to the need for maintaining the supply in these regions.

Several applications for long-term export licenses have been received and, if granted, will result in a considerable increase in the demand for forest labor in the 1937-38 season. No official statement has, however, followed the original announcement that this export policy was contemplated.

Road, Rail and Air

Communications form an important activity of the Commission of Government. They embrace the railway, the coastal steamship service, and roads and bridges. These, with a number of other things, come within the purview of Sir Wilfred Woods, a former secretary for finance in Ceylon, who has succeeded Thomas Lodge as commissioner for public utilities.

Under his department comes the important project through which Newfoundland will become an important world centre. This is the new airport and landing field for the use of transatlantic planes flying between Great Britain and Montreal or New York.

Little progress has been made on the highway project which eventually envisages a road across the Island although original plans called for construction of a gravel road from Port aux Basques in the southwest corner north and east through Corner Brook to Grand Falls and Botwood with branches extending to the bottoms of the great northern bays. Work will be continued this summer but how much will be done is a matter yet to be decided.

People interested in the railway have been alarmed by the possible effect of highroad competition with the trans-Insular line. It was thought that the railway would meet its operating expenses out of current revenue during the present fiscal year but this was a premature hope. The management recently announced that there might be a deficit of $100,000 and it has to be remembered that no capital expenditures are charged to railway account, nor is there any charge for depreciation. When a new coastal steamer was built a year ago at a cost of over $300,000 it was paid for out of the national revenue and may be regarded from a bookkeeping standpoint as a gift from the country to the railway. While railway revenues have been increasing, operating costs have also been going up, and the day when this utility will be able to carry itself and maintain a capital account of its own seems far distant.

At the present time Newfoundland's developed mines are employing more men than ever before in their history. Bell Island's iron deposits are providing full-time work for about 2,200 men, and there is greater activity in the lead-zinc workings at Buchan's and the limestone quarries of Aguathuna. Production is being expanded in the St. Lawrence fluorspar area and there is much interest in the molybdenum development at Rencontre East. Attention has also been attracted to large deposits of copper sulphides, lead, nickel, marble and other minerals in various parts of the Island, and much optimism about the country's mining future has been expressed.

One of the principal tasks undertaken by the Commission of Government was the reorganization of the civil service. The spade work in this connection was done by experts seconded from the British Civil Service and they have done their jobs well. The service is not only established upon a sound system of equity and efficiency but has acquired a new spirit or esprit de corps which was prohibited by the changes and uncertainties of other times.

It is true that the cost of the Civil Service is no less and may possibly be greater than in pre-Commission days, a fact upon which critics frequently seize. But this is due to the greater demands made upon Government departments by the expansion of administrative interests, and to the more equitable rates of pay which now prevail.

Social Services

One of the most visible evidences of the presence of the Commission Government is the notable advance in the various social services. Unfortunately, the administration of relief still imposes probably the greatest burden of work and responsibility upon the staff of the department of public health and welfare which is charged with distribution and supervision of dole as well as with all matters concerned with public health.

The fundamental problem of the Government is to find the means whereby the 16,000 families on relief may be restored to remunerative employment or to moderate independence through rural rehabilitation. It is here that the Government clashes chiefly with its constructive critics, many of whom believe that greater activity toward the stimulation of new industrial developments is required, even if such activity should involve the adoption of policies that are not ordinarily considered to be within the scope of government.

The long years of relief have naturally had their effect upon public morale and health, and a vigorous policy has been adopted to improve medical services and provide needed hospital accommodation. This has involved the establishment of a comprehensive nursing service and the construction of a number of cottage hospitals. The General Hospital in St. John's is also to be modernized and enlarged and the high incidence of tuberculosis has led to the inception of a campaign for the eradication of this disease.

In the field of education, much progress is being made. The grant for educational purposes has been restored from the economy figure of $500,000 to the pré-Commission total of $1,000,000, and it is hoped that larger allocations may be available in the future.

Government Financing

In one respect at least, Newfoundlanders must be the envy of the world. A maximum level of taxation has been established, and if the requirements of Government exceed the revenue this produces, the deficit is met by a grant-in-aid from the United Kingdom Government.

This is not, of course, an ideal situation for it serves to diminish the normal responsibility of the citizen, but it is purely a matter of expediency. It is, however, an interesting fact that despite a substantial reduction by the Commission in the ad valorem rates of duty on the most widely-used commodities, revenue has shown a steady improvement over pre-Commission years.

The national debt now stands at approximately $101 millions and most of it has been converted into special stock guaranteed by the British Government and bearing interest at 3%. Borrowing during the Commission period has totalled about $2 millions, and the source of this credit has been the Colonial Development Fund. In the case of most loans from this fund arrangements have been made for refunding within periods extending from 10 to 20 years and the sums required for repayment are included in the annual estimates of expenditure. These loans are not treated as capital but become self-balancing items in the estimates—receipts from the Colonial Development Fund being treated as current revenue and outlay as current expenditure.

Newfoundland's urgent need today is the establishment of new industrial employment through the construction of a new paper mill, the development of mineral resources, the processing of fish, or in some other ways not immediately apparent. Local industry operating for local consumption has been making headway, but to make its expansion possible there must be increased demand resulting from a permanently higher earning power.

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PAP 14

The Sealing Fleet Sails

Annual Voyage to the Icefloes Still Grips Imagination of Newfoundlander Though Importance of Catch Dwindles — Legal Tangle May Result From This Year's Sale

Of declining importance commercially, the annual voyage "to the ice" for seals still holds an unusual grip on the imagination of the people of Newfoundland.

Some 80 years ago, it ranked with the most important of fishery enterprises. It employed about 13,000 men, and 500,000 seals was the usual annual catch. Since then it has dwindled until in recent years, only seven or eight ships have made the trip, these employing about 1,500 men. The catch numbers less than 200,000.

The seal fishery has more than a direct commercial effect, however. Its outcome influences, to a considerable degree, the attitude taken by suppliers when outfitting fishermen for the cod business later in the year. A good seal fishery inspires optimism which is reflected in other branches of the fishery and in the business situation.

It is significant, therefore, that the more optimistic outlook which is apparent in Newfoundland at the present time comes in the face of a relatively poor sealing year. At that, the outcome was much better than had been expected early in the hunt. At one time, it was believed that this would be the worst fishery in years. Unusually heavy, unbroken ice floes impeded the progress of the fleet.

Sealing Fleet

Seven ships, one less than in 1936, participated in this year's hunt, crews numbering 1,305. One of these ships proceeded to the Gulf of St. Lawrence, the remainder to the northeast coast, off the mouth of the Strait of Belle Isle. The "Ungava," a Hudson's Bay Co. owned vessel, was disabled early in the voyage and her catch was negligible. The catch of the remainder was also well under average, the total for the fleet being 113,000, compared with 186,000 in the previous year. Wages earned by the crews for their six weeks work varied from a low of $6.28 received by the Ungava to $127.58 paid to the Imogene's men, who sold their share of the catch to a New York firm.

There was a feature to this year's hunt which may have repercussions in the Supreme Court. The Newfoundland seal fishery is a partnership enterprise, between the owners of the steamers and the men. The former provide the boats, pay operating costs and supply rations. The crews receive as wages one-third of the pelts brought in by their respective ships; skins and blubber are not sold separately but are paid for by weight. Approximately three of the young seals go to make up a hundredweight.

Selling the Catch

The men generally sell their share of the catch to the owners of the ships in which they have been employed. This year, they signed an agreement before sailing to accept $4.25 a cwt. When the first steamer returned, a New York firm offered $5 a cwt. This is regarded a result of the activities of K. M. Brown, who recently succeeded Sir William Coaker as president of the Fishermen's Protective Union. Mr. Brown has figured in labor disputes before, and once led a strike at the Grand Falls paper mills. Early this year, he undertook negotiations with Bowring Brothers, owners of five of the seven ships participating in the hunt, with the object of obtaining a higher price for the men's share of the seals. These negotiations proved unsuccessful and Mr. Brown then persuaded New York buyers to enter the market on the ships' return. It is now rumored that this firm plans to send out its own ships next season.

When the New York interests offered a higher price to the men, Bowrings followed suit. When the second ship reached port, however, the New Yorkers raised the ante another 50 cents a cwt., Bowrings refused to meet this price, and the men sold to the outside firm.

Legal Tangles

The legal tangle arises from the Sealing Act of 1916 which places responsibility for sale of the crew's share of seals upon the "second-hand and master watches"—the chief officer and the men in charge of each group of sealers. These gentlemen are to sell to the highest bidder. On the other hand, it has become customary for the crews, before sailing, to sign an agreement to accept a certain price. It is understood the problem of just who has the right to negotiate will be settled by the judiciary.

Comparative figures of the 1937 seal fishery are as follows:

Seal Catch

Year	Total Pelts No.	Value $	Men's Share High Ship. $	Men's Share Low Ship $
1925	127,882	269,467.38	.....	....
1926	211,531	395,510.79	124.66	12.28
1927	180,459	297,422.57	.....	....
1928	227,022	394,163.78	80.96	35.38
1929	201,856	359,919.89	80.16	9.46
1930	241,236	405,809.57	105.68	5.49
1931	87,866	121,115.20	65.00	13.27
1932	48,613	53,367.02	.....	....
1933	176,046	191,911.62	93.48	24.42
1934	227,390	324,792.38	110.79	15.37
1935	143,031	173,754.00	.....	....
1936	183,689	224,495.00	70.23	30.94
1937	113,340	205,078.00	127.58	6.28

The Newfoundland seal hunt is quite an occasion. It begins early in March, when the ships, decorated with bunting, stream in a line out of St. John's harbor. A band plays national airs on the pier, high dignitaries of state wish the very best of luck, guns fire a salute, and the men are off to the ice floes for from three to six weeks.

The work is not easy. The men labor from daylight far into the night. The seals, young seals and the mothers are killed by a blow or two from a sealing "bat," are then cut open and divested of their great coat of fat, the only valuable part. Dog seals usually have to be shot.

When the ship returns to port, cargoes are landed at warehouses, where the fat is purified and refined, and later is exported. The skins are also exported to Europe and America, where they are tanned and converted into "kid" and patent leather.

Metal Exports Growing

Higher base metal prices increased the value of production of Buchans mine about $500,000 in 1936. Exports of copper, lead, zinc and table concentrates during the year amounted to 176,085 tons, some 5,000 tons below the previous year's figure. On the other hand, value jumped from $3.5 millions to $4 millions.

Belgium continues to be the chief customer, accounting for well over two thirds of total exports, including all lead and table shipments. All copper finds a market in the United States, with zinc being distributed between Belgium, the United Kingdom and France.

Figures of shipments made last year are as follows:

Concentrates Shipped, 1936

	France $	U. K. $	U. S. $	Belgium $	Total $
Copper	......	......	467,232	......	467,232
Lead	......	......	......	1,950,601	1,950,601
Zinc	239,036	520,248	......	746,637	1,505,921
Table	......	......	......	69,477	69,477

Relief Costs Mounting

Small Catches, Low Prices Put Many Fishermen on the Dole

In recent years, one of the largest businesses in Newfoundland has been distribution of relief. In common with most countries, depressed conditions have resulted in a substantial proportion of the population becoming dependent upon the government for its existence.

In Newfoundland, however, the depression has been particularly acute. In addition to the generally downward trend of business, she has been drastically hit by unsettled conditions in the markets where she usually sells her fish. The Spanish market, for instance, has been upset by the revolution. Italy, where a substantial proportion of the total catch is marketed, has been almost a nonentity until recent months.

As go the fisheries, so, in inverse ratio, goes relief. It has been estimated that approximately 90% of those on relief are fishermen. The average Newfoundland fisherman plies his trade for only a small portion of the year. The remainder he is employed at whatever he is able to pick up in an attempt to bolster up his income sufficiently to take care of the needs of himself and his family. Most fishermen, for instance, have a plot of ground upon which they grow some agricultural produce; some spend their "spare" time in the woods.

In recent years, however, either the catch has been so small, the price so low, or the markets so disorganized, that an increasing number have been forced to go to the Government for relief. As a result, relief costs amounted to about $1.3 million in the fiscal year ended June 30, 1936. It is estimated that in the current fiscal year the total will probably run to about $1.6 million. Despite the fact that more than a quarter of the entire population is on relief, however, the figures this year are well under those of four or five years ago.

Wabana Mine Nears Peak

Expect 1936 Ore Shipments to be Highest in Years — Employs 2,200 Men

Conditions are booming at the Wabana iron ore mines on Bell Island.

More ore will be shipped in 1937 than for many years past, and it is now practically assured that there will be full-time operations at the mines during the balance of the open navigation season.

Present estimates are that iron ore shipments from Bell Island this year will aggregate approximately 1.7 million tons—nearly double the 1936 total—and a figure only reached twice before in the company's history, 1928 and 1929.

All mines are now being worked almost at capacity, and employment will be given to some 2,200 men throughout the summer.

Germans Take 800,000 Tons

Major factor in the improvement is additional demand from Germany.

The German contract requirements have not been fully met for several years. Now the necessary financial arrangements have been made, and shipments to Germany in 1937 will total over 800,000 tons, or approximately six times as large a tonnage as was shipped in 1936.

Orders from the Sydney plant of Dominion Steel & Coal for delivery this year amount to 650,000 tons, the highest figure in a number of years.

English buyers are almost doubling their requirements this year, indicating shipments of approximately 250,000 tons. The balance between 20,000 and 40,000 tons will be shipped to the United States.

This, in brief, explains why Bell Island is looking forward to one of the most prosperous years it has had since the depression started in.

1936 a Good Year

Last year was a relatively good year, as iron ore shipments from Wabana totalled 893,308 tons. This contrasted with 662,441 tons the year before. The level of shipments would have been considerably higher had German importers been successful in securing the necessary cash credit to take full deliveries. Failing that, shipments to German firms last year amounted to only 136,220 tons as against their contract commitments of 700,000 tons.

The extent of operations at the Wabana Mines controls the economic welfare of the Bell Island inhabitants. They have no other source of labor. Practically every family has at least one representative at the mine. There is no able bodied relief administered on the Island. While there were a number of unemployed last year, they were looked after by other members of the family who were working. Since then employment conditions have improved to such an extent that unemployment is no longer a problem.

It is anticipated that all of the mines will be worked this year, as compared with two out of the four mines in 1936. During the depression years large quantities of ore were piled up in reserve, but as the demand improved in the last two years, these reserves have been depleted, with the result that it is now necessary to carry on extensive mining operations.

All mine work is conducted under water. The work is at present about 2½ miles from the shore of Bell Island on Conception Bay. Compressors and motor generators are nearly all underground, while an adequate power supply is obtained from the mainland by way of a cable.

Railway Cuts Losses

Prospects of Industrial Development in Island and Resulting Traffic Increase Provide Brighter Revenue Picture — Lower Operating Costs Seen in Immediate Future — No Funded Debt

Newfoundland's greatest public utility, the railway, has not yet reached the stage where a profit is shown on operating accounts.

It had been regarded as a possibility that the railway, which traverses Newfoundland from St. John's on the east to Port aux Basques on the west, might show an operating surplus last year for the first time in history. It failed by a small margin, expenses exceeding total earnings by $42,371. This year, it is estimated, the operating deficit may exceed $100,000.

Until a few years ago, it was never considered possible that the railway and steamship service which is subsidiary to it could come near to balancing this account. This attitude arose practically through the distribution of population and partly because original construction of the railway was not productive of economical operation owing to the narrow gauge roads, heavy grades, too many curves and so on. Such conditions, of course, could only result in costly operation.

Freight Traffic Grows

Freight and express earnings have shown marked increase in recent years, however, largely due to development of the iron and base metal mines and to increased shipments from the newsprint mills. Freight traffic moved from 123,000 tons in 1904 to 173,000 in 1910, 232,000 in 1928 and 393,111 in 1935. In 1936, 451,865 tons were handled. Passenger traffic has not shown corresponding increase. In 1904, 136,000 passengers made use of transportation facilities. This number rose to a peak of 355,000 in 1928, dwindled to 142,405 in 1935. Last year the total was practically unchanged from the latter figure.

1936 Operating Results

Net operating loss from railway operation was reduced from $168,234 to $5,435 in 1936. Revenue from freight shows the largest improvement, $180,000, the greater part due to transportation of paper for shipment from St. John's and Port aux Basques. Passenger revenue was also $22,000 higher and other minor increases were recorded. On the other hand, the expenses of conducting transportation rose by $74,000.

On steamer operations, net operating profit fell from $146,235 to $20,735. In addition to the decrease in subsidies payable by the Government, mentioned above, there was also a decrease of $20,000 in freight earnings and of $22,000 in miscellaneous revenue. Freight costs and general expenses, on the other hand, were higher. During 1935, the Government assumed direct responsibility for fire and marine risks, for which considerable premiums were previously paid by the railway.

Total grants made by the Government to the railway in 1935-36, excluding the mail subsidy payable by the Department of Postal Telegraph of $150,000, and payments made for services rendered to other Government departments, amounted to $738,270. This comprised general subsidy of $70,650, a deficit on profit and loss account of $40,000, and capital expenditure $627,620.

It is stated in the Government's financial report, however, that while recent replacements in extension of capital assets have helped to increase the earnings of the railway, the effect of provision of facilities for shipment of paper from St. John's and Port aux Basques being already shown in last year's account, cost of renewing capital assets, if and when this becomes necessary, will have to be met by the Government unless in the meantime the railway earns a surplus sufficient to provide for their replacement.

No provision is at present made in the railway account either for depreciation or replacement of capital assets. If depreciation has been charged, the net loss in 1935-36 would have amounted to $275,517. Similarly, no provision is made for payment of interest on grants made by the Government since 1923 which aggregates $6.9 millions for capital expenditure, and $4.5 millions to meet deficits and for general purposes. A large proportion of these grants was made out of loans raised by the Government, and forms part of the public debt.

Details of operating revenue and expenditure for last year are as follows:

Newfoundland Railway Operating Results

Revenue:	1935-36 $	1934-35 $
Freight	1,080,794.02	900,855.23
Passenger	357,094.31	334,934.66
Mail	48,150.72	48,150.72
Dining & sleeping cars	61,688.80	58,203.50
Miscellaneous	36,015.77	47,134.96
Express	117,795.93	107,401.01
Steamer	700,615.64	804,585.61
Dock shops	383,568.42	358,336.46
Dry dock	38,155.65	35,501.14
Rental of paper sheds	23,984.11	
	2,847,863.37	2,695,103.28
Expenses:		
Conducting transportation	833,464.35	759,861.57
Dining & sleeping cars	41,119.90	37,689.36
General expenses	169,401.87	143,602.23
Maint. of way	453,919.78	455,242.05
Maint. of equip.	294,215.29	292,424.13
Express	24,947.56	24,228.77
Operat. steamers.	600,836.61	575,183.90
Repairs to steamers	79,044.06	83,184.58
Dock shops	365,616.43	326,229.82
Dry dock	27,668.52	26,386.86
	2,890,234.37	2,724,033.27

Under Government Control

A failure under private ownership, the Newfoundland Railway was taken over by the Government in 1923. Since then, considerable funds have been spent on replacing the light 70-lb. rails, in ballasting the road, replacing wooden bridges with steel and concrete, repairs and replacements of rolling stock, and so on down the line. Most of this programme has now been completed, with the result that the service is both more secure and faster.

Problem of Operating Costs

Under private management, the annual deficit of the road had run about $1.5 million annually. When taken over by the Government, the latter assumed the railway's debenture obligations. Consequently, management has been concerned solely with operating accounts. This, naturally, has been a big factor in reducing the deficit. Nevertheless, seven years after the Government took over there was an actual loss on operations of more than $700,000, which to a country of less than 300,000 people is a very severe burden. This figure was steadily reduced until in 1934-35 the loss was reported at just under $30,000. The increase last year is largely due to the reduction of $70,000 in mail subsidy to the railway-owned steamships. Obviously, if this has been the same as in previous years the line would have showed its first surplus.

Prospects Brighter

Looking to the future, there is every hope that the worst is over so far as railway operations are concerned. The money spent in rerailing and repairs will serve to keep down the future operating costs. On the other hand, prospects of development of industrial towns in the interior of the country have become much brighter, and with this development will come greater freight traffic all the year round. Particularly is this true in connection with mineral development.

Although much was accomplished in the period from the time the Government took over the system until 1934, the turning point in railway affairs really came with the advent of commission government. For one thing, political difficulties were eliminated. Then, too, the Government has been largely instrumental in establishing the two winter ports for the paper industry. At St. John's, The Anglo-Newfoundland Development Company has guaranteed shipment of approximately 30,000 tons of paper a year, for the next 10 years from Grand Falls. At Port aux Basques, with a similar arrangement, International Power and Paper Company has a winter outlet for this product originating at Corner Brook. This traffic is especially welcome because it comes at a season when traffic was previously very small and expenditure out of all proportion to revenue.

The importance of the base metal market at Buchans and the two large newsprint mills to the railway is illustrated very clearly by operating statistics. Shipment of paper in 1936 entailed revenue to the railway of some $145,000. Pulpwood shipments accounted for a further $68,000. Figures on shipments of base metal ore from Buchans are not available for 1936, but for the previous year the revenue derived by the railway amounted to $327,000. It is probable that the 1936 figure will be about the same level. In the aggregate, these amount to approximately 20% of the total earnings of the railway for the entire year.

Buried Treasure

Newfoundlanders Awakening to Possibilities in Mineral Development — Geological Surveys Sponsored by Government Stimulate Interest

Newfoundland is slowly but surely emerging from her shell in regard to mineral development.

Interest in possibilities of mineral development has been almost negligible. Relatively few attempts were made to prospect seriously. But those which were made disclosed what has turned out to be one of the largest iron mines in the world, and an internationally-known base metal mine. Iron ore reserves at the Wabana mine, which is operated under water, cannot be accurately calculated, but some mining men place them at one billion tons. Production of copper, lead and zinc concentrates at Buchans is valued at well over $3 millions annually.

Development Stage

Apart from these two properties, mining in Newfoundland is still pretty much in the development stage. But the attitude of the people and of the Government has completely changed. Newfoundlanders are fast becoming mining conscious, and the Government, spurred on by the belief that alternative means of livelihood will have to be found for those whom the fisheries can no longer support, is very actively engaged in promoting geological work.

This policy of the Government is being carried on to awaken outside interest. One of the main deterrents to Newfoundland's mineral development has been lack of capital. The country has a small population, is very sparsely settled in the interior. The backing of outside interests has been essential to proper growth. And outside capital must be shown some possibility of profit before it will flow to the country. At the best of times mining is a speculative venture. If it can be shown, however, that prospects are definitely promising, money for development will be attracted.

With this in mind, the Government has sponsored a number of geological surveys. Last summer, in particular, a number of parties, headed by prominent geologists, mostly from United States universities, explored mineral possibilities in various districts of the country. Work planned for this season includes a survey of lead, petroleum and limestone on the Port au Port Peninsula, of lead, zinc and silver areas at LaPoile Bay, and of molybdenum, lead and copper deposits at Fleur-de-Lys. Lead possibilities in Placentia Bay, possible oil structures on the west coast, north of Parson's Pond, and phosphate prospects on the Avalon Peninsula will also be explored. In addition, investigation will be carried out on cement rock in the Trinity Bay area, molybdenum at Rencontre East, iron at Bay de Verde, and work at the St. Lawrence fluorspar area will be continued.

Many Newfoundlanders are thoroughly convinced that coal deposits at St. Georges can be profitably worked. Existence of deposits is granted, and a few years ago commercial possibilities were investigated by International Paper Co. After some diamond drilling, the company allowed its option to lapse. No official statement was made, but it is generally believed that the reason was the belief that only about 500,000 tons of coal which could be profitably developed were indicated. Another disadvantage is high transportation costs, and the proximity of the Nova Scotia coal fields.

Gold Prospects

Gold prospects centre largely about three areas. At Sops Arm a quartz vein has been uncovered and early assays indicated $17 of gold to the ton. The property is held under option by Anglo-Newfoundland Investment Trust, an English organization. Mings Bight is a property which was operated early this century when a small amount of gold was produced. Exploratory work was done last year. The third area, at Cinq Cerf, is owned largely by Canadian interests, but plans for the future are problematical.

A revival of interest in gold mining took place last year, with a large number of new properties being staked. Many of these were in the Canada Harbor area, which was surveyed by a Government party last summer. In this area, marble and copper prospects were also considered. Much interest centres in the marble deposits which are now being explored by Canada Bay Marble and Mines, Ltd. A preliminary report on this survey recommended diamond drilling at several localities to determine persistence and the special qualities of the stone.

In the last year or two, molybdenite has attracted considerable attention. Work has centred largely at Rencontre, Fleur-de-Lys, Bay d'Espoir and Berry Hill. The Fleur-de-Lys property contains one shallow shaft and a short drift, from which ore was extracted during the war. Recent work by Anglo-Newfoundland Investment Trust, Ltd., is said to have uncovered another vein of still richer ore.

At Rencontre, a number of claims have been staked by a group of St. John's men and optioned to Dana & Co. of New York. The claim is most favorably situated at a deep water terminus, with natural water power available almost without cost. Over 650 feet of shafting and tunnelling have so far been driven, and a new drift at the 60-ft. level is in progress.

Talc Deposits

Deposits of talc at Manuels awakened interest some 30 years ago and many pits were opened and a 2½ mile aerial tram built. Since that time no further work has been done. However, new uses have been discovered for the mineral, and last year test shipments were made to Corner Brook and to Canada. Now that the surface extent of these deposits has been accurately determined, the results of these tests on adaptability to paper making and other uses are awaited with interest.

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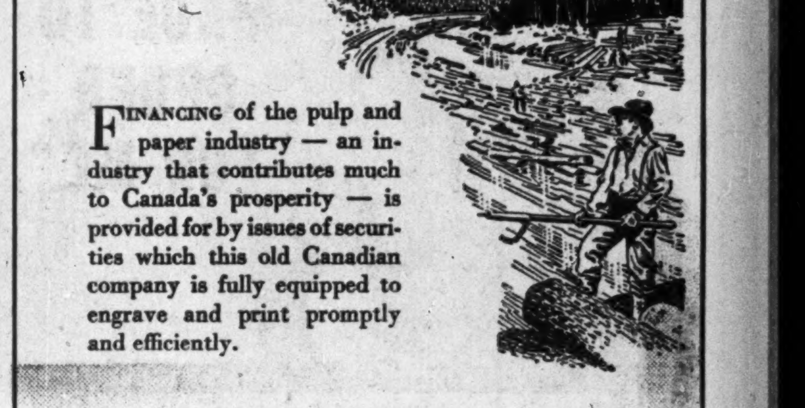

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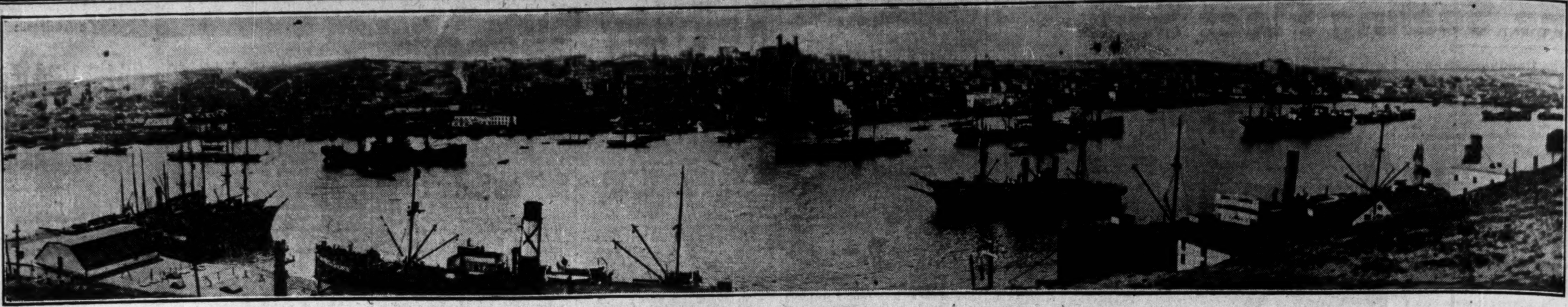
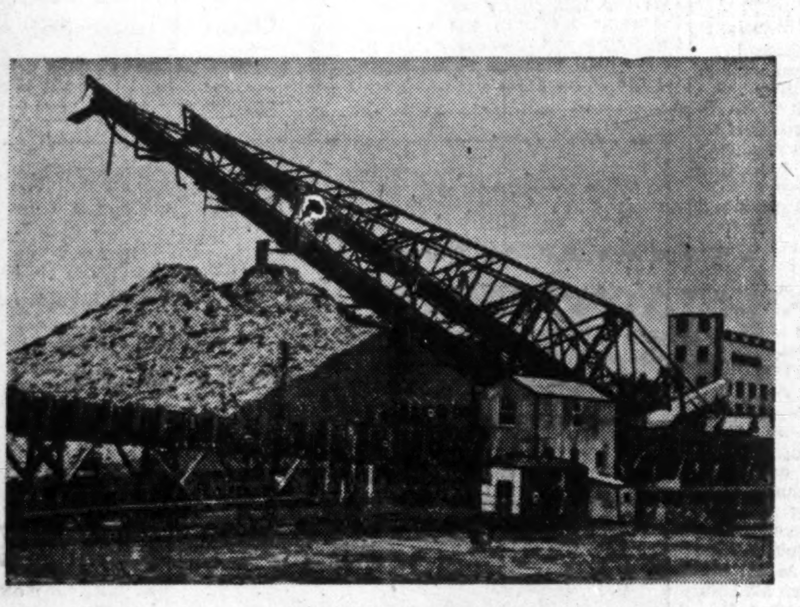


Panoramic view of historic St. John's, Newfoundland.

NEWFOUNDLAND

Marked Improvement in Trade and Commerce Awakens Wide-Spread Interest in Britain's Oldest Colony . . . .



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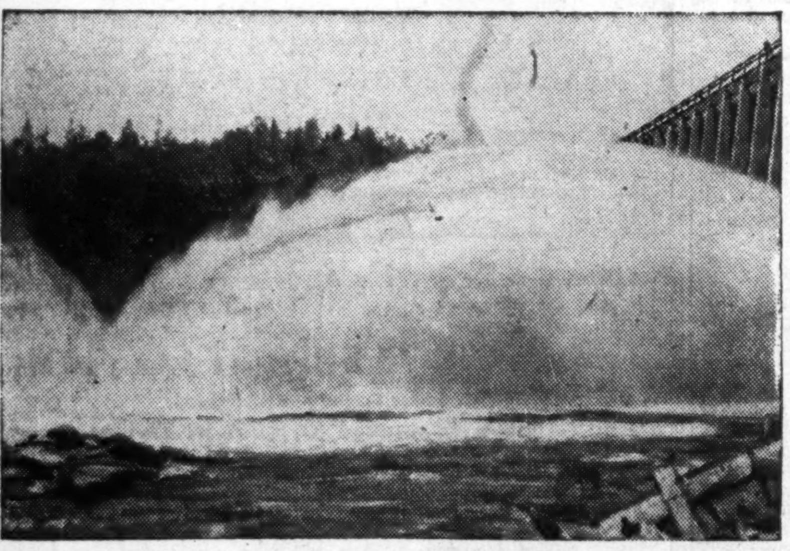

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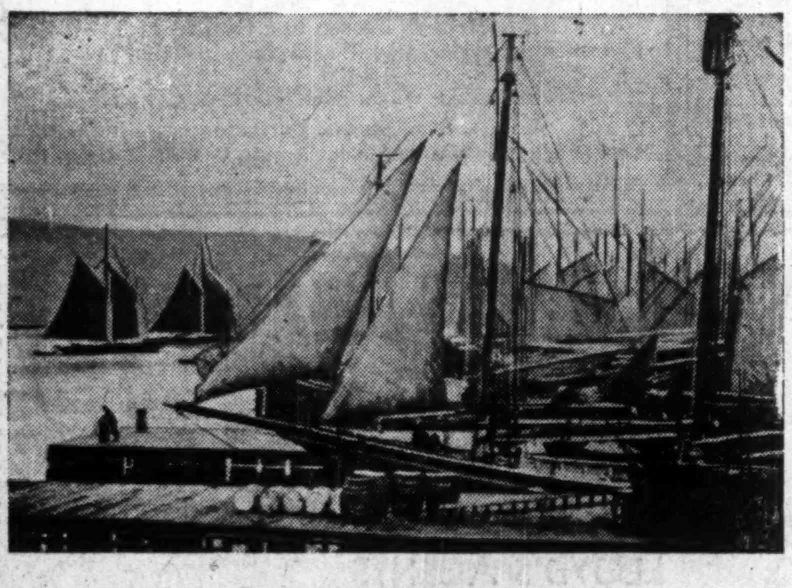


FISHERIES

Commission Government Assures Stability

ONE of the first discovered territories in America, Newfoundland remains young in development of natural resources. With a vast, but as yet unexplored, hinterland, the country offers distinct possibilities for capital investment. Potential mineral and forest resources are backed by an abundance of inexpensive, readily available power, by cheap water freight and by an ample and congenial labor market.

Of major importance in assisting development is a sympathetic government. Political uncertainty, so prevalent the world over in recent years, is obviated in Newfoundland by the commission government, which is only too willing to consider and to further worthwhile schemes of development.

Fisheries Basic Industry

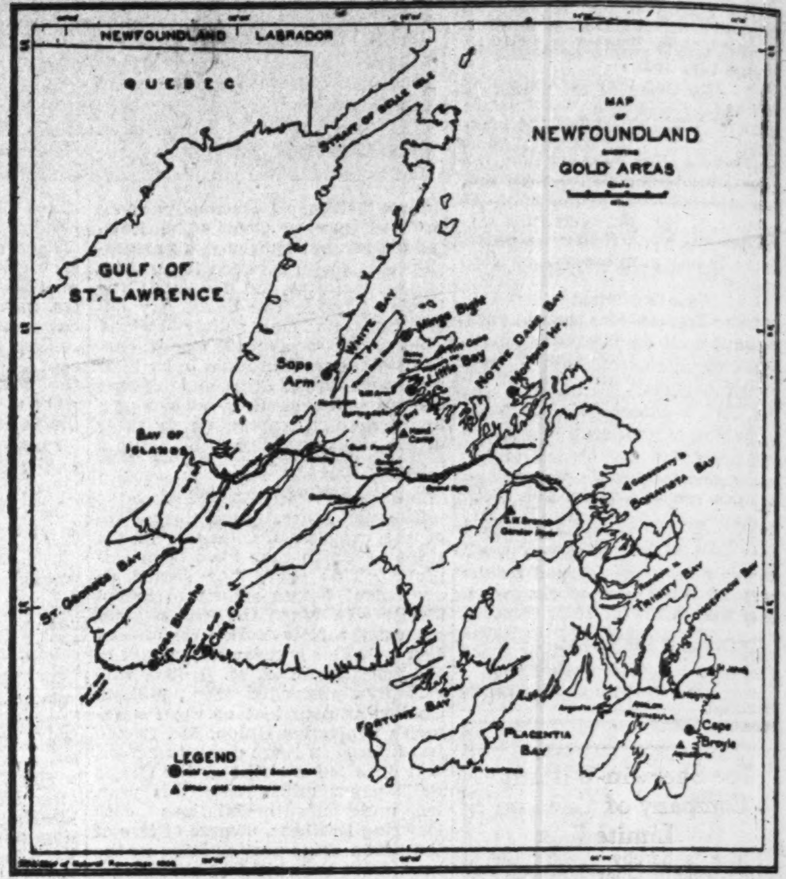
FOR three centuries the framework of Newfoundland's industrial life has been the fishery. And it is likely to dominate for many years to come. The Newfoundland and Labrador waters continue to yield rich harvests of fish, despite gradual depletion in other shores. Codfish, the world's best, is the major product, but many other species contribute to the total catch. The salmon fishery is a growing and healthy industry; sealing activities yield a rich return, and haddock, herring, halibut and lobster are of substantial importance.

As the fishery has naturally been conducted from settlements along the coast line, exploration and development of the interior have been largely neglected. It is the avowed policy of the government to expedite utilization of the country's other resources.

Forestry and Mining Opportunities Abound

LACK of capital has been a major factor retarding mining development. What little exploration has been carried on has resulted in a world famous base metal mine at Buchans, and one of the largest known iron ore deposits at Bell Island. This summer an active geological programme is being conducted by the government and by private interests. Indications of gold, molybdenite, fluorspar, sulphur and other minerals will be extensively explored.

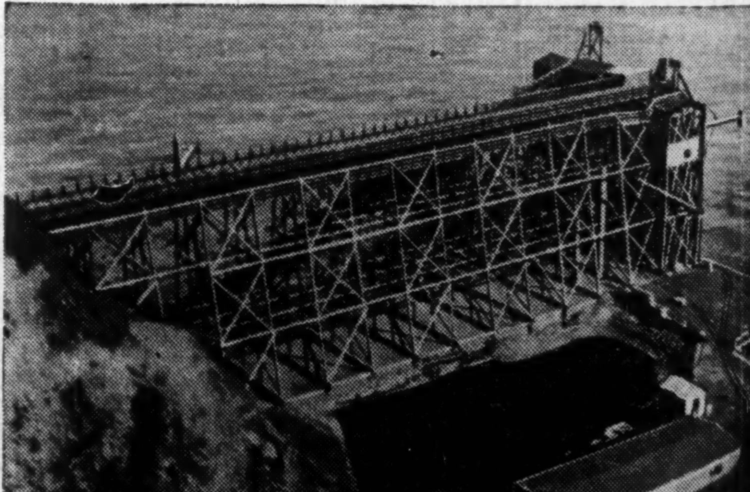
Newfoundland and Labrador constitute one of the largest remaining sources of pulp timber in the world. Thus far exploitation has been confined largely to two large paper organizations which have assumed an important place in the island's business structure. An export trade in pit props has grown up in recent years and additional avenues of development are being explored.

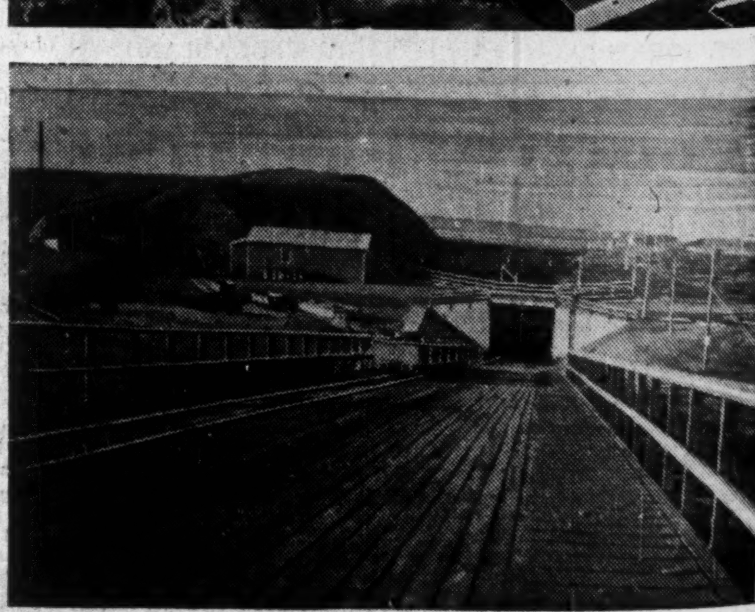


Unlimited Power Resources

AT THE command of those interested in developing her natural resources, Newfoundland can place almost unlimited power. On virtually every stream—and there are hundreds—power can be generated. It is this factor which has gone far in bringing the country's paper and mining industries up to their present stage of development. And it is abundance of power, capable of generation on an economical basis near the scene of practically any potential industrial operation, which is one of the most encouraging aspects of the future.

Financial stability, bounteous unexploited resources, adequate cheap transportation, government co-operation merge to ensure further development and to make Newfoundland a likely field for investment.





MINING

A Land of Great Natural Wealth and Opportunity, Newfoundland's Financial Integrity is Assured

For further information apply

**Secretary to Commission of Government,
St. John's, Newfoundland**

DIVIDEND NOTICES

The Dominion Bank

Notice is hereby given that a Dividend of two and one-half per cent upon the paid-up capital stock of this Institution has been declared for the quarter ending 30th June, 1937, being at the rate of ten per cent per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Friday, the 2nd day of July, 1937, to shareholders of record of the 19th June, 1937.

By Order of the Board.

General Manager.

Toronto, 13th May, 1937.

PICKLE CROW

GOLD MINES, LIMITED

(No Personal Liability)

NOTICE OF DIVIDEND NO. 6

Notice is hereby given that a dividend of ten cents (10c) per share in Canadian funds has been declared payable on Wednesday, June 30th, 1937, to shareholders of the company of record at the close of business on Tuesday, June 15th, 1937.

By Order of the Board

ROBERT FENNELL, K.C.,
Secretary-Treasurer

Toronto Ont., March 13, 1937

Acme Glove Works Limited

DIVIDEND NOTICE

A quarterly dividend of 1⅝% (One and Five Eighths Per Cent) has been declared upon the 6½% Cumulative Preferred Shares of Capital Stock of this Company, to be paid July 2nd, 1937, to shareholders of record at the close of business on June 19th, 1937.

A dividend of 12½c. (Twelve and one Half Cents) per share has been declared on the no par value Common Stock of this Company, to be paid July 2nd, 1937, to shareholders of record at the close of business on June 19th, 1937.

By Order of the Board,

A. LEPINE,
Secretary.

Montreal,
June 5th, 1937.

The Sherwin-Williams Company of Canada, Limited

Notice is hereby given that the Ninety-seventh Quarterly Dividend of One and Three-quarters per cent (1¾%) being at the rate of Seven per cent. (7%) per annum for the Quarter ending August 31st, 1935, on the Preferred Stock of the Company, has been declared payable to Shareholders of record the 15th day of June, 1937, and that cheques will be mailed July 2nd, 1937.

Books not closed.

By Order of the Board.

P. W. HOLLINGWORTH,
Secretary-Treasurer.

Montreal, Que., May 6th, 1937.

CANADA PERMANENT MORTGAGE CORPORATION

Notice is hereby given that a Dividend of TWO PER CENT on the paid-up Capital Stock of the Corporation has been declared for the current quarter, and that the same will be payable

FRIDAY, THE SECOND DAY OF JULY

next, to Shareholders of record at the close of business on the Fifteenth day of June, 1937.

By order of the Board.

WALTER F. WATKINS,
Secretary.

Toronto, May 19th, 1937.

Ottawa Light Heat and Power Company, Limited

Quarterly dividends as follow, are payable 1st July, 1937, to Shareholders of record 15th June, 1937:

PREFERRED STOCK: 1¼%, (being at the rate of 5% per annum.)

COMMON STOCK: 1½%, (being at the rate of 6% per annum.)

The transfer books will not be closed.

By Order of the Board.

F. W. FEE,
Secretary.

Ottawa, 7th June, 1937.

The Canadian Light and Power Company

NOTICE is hereby given that a dividend of one-half of one per cent (½ of 1%) has been declared on the outstanding shares of the Company for the half year ending June 30th, payable July 15th, to shareholders of record June 26th, 1937.

By Order of the Board.

JAMES WILSON,
Secretary-Treasurer.

Montreal, June 8, 1937.

United Securities Limited

NOTICE is hereby given that a dividend of fifty (50c) cents per share has been declared on the outstanding common shares of the Company for the quarter ending June 30th, payable July 15th, to shareholders of record June 26th, 1937.

By Order of the Board.

JAMES WILSON,
Secretary-Treasurer.

Montreal, June 8, 1937.

Week in Wheat

Fear of Crop Damage Sends Market Higher

Rust and Dampness in South, Drought in Saskatchewan, Factors Behind Recent Rise—Sensitive Time Immediately Ahead

From Our Own Correspondent

WINNIPEG. — To revival of British buying of Canadian wheat is credited the sharp upward movement of prices which this week reversed the prolonged trend in the other direction. Several different reasons are reported from Liverpool.

Most important is the impression of crop deterioration over a large part of Saskatchewan. Danger of rust in North America is also recognized. Observers report a widespread infestation in Kansas. This is serious not so much because of damage in that state itself but because it may spread north. Dampness of a good deal of the early harvested southern wheat is also noted.

Finally the belief that the Canadian Wheat Board is much nearer the end of its stocks than was anticipated is beginning to have an effect. With the total Canadian supply reduced to small proportions the spot market is necessarily narrow, and easily influenced. To all of this is added the proverbial sensitiveness of a weather market. Marked fluctuations from day to day are reasonably to be expected for some weeks.

Price Spreads Narrow

Narrowing of the price spread between cash wheat or near-by deliveries and October wheat has been one of the recent features of the market. At one time, July wheat was worth 20 cents more than the October, and cash wheat even more. During the past week the spread has been as narrow as five cents.

The change indicates that the fear which prevailed for a short time of an actual scarcity of world wheat before new 1937 crops has completely abated. When prices were hesitating in the neighborhood of the $1.50 level, it did not mean that a new basic level of wheat prices was being established, but simply that buyers, to avoid any chance of actual shortage, were willing to lay in extra supplies.

* * *

No Fear of Shortage

Development of the United States winter wheat crop, and the assurance now given to British and European buyers that they can fill their requirements for hard wheat from the U. S. Gulf ports, has removed any fear of shortage. Some of the Texas crop has already been threshed and shipped to terminal ports, and the supply of hard winter wheat available will increase daily from now on.

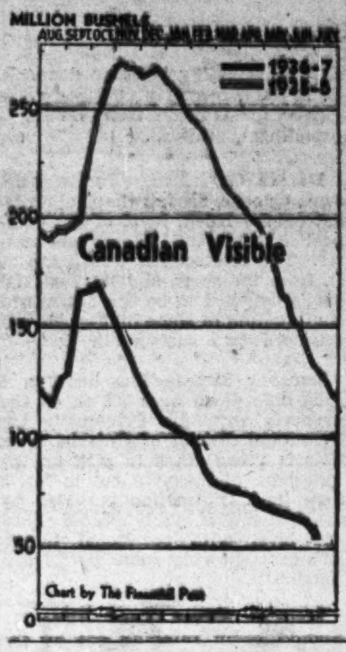
For a time during May there was steady deterioration in the prospects for production, but filling rains during the past two weeks have greatly improved the outlook. U. S. winter wheat prospects, for a time, were down close to 600 million bushels. Now they are put at 100 millions higher.

Much of this improvement has been in the hard wheat belt. Further rains now in some southern areas will do damage rather than good, and may both delay harvest and impair quality.

* * *

U. S. Shipments

Shipments from U. S. Gulf ports are expected to go mainly to European-Continental ports, as American wheat is subject in the British market to a duty of six cents a bushel. The coming season will probably test more thoroughly than recent years the value of the British preference to Canadian wheat producers. In the past, Argentina, always an urgent shipper, has been willing to absorb the duty, and to place her wheat in Great Britain at prices to compete with Canadian. The United States, however, is a stronger holder, and the British duty may be enough to keep U. S. wheat out of that market.



* * *

See Good Demand

That prices have held fairly well in the face of prospects for United States production and export indicates an expectation of strong European demand during the coming year. Italy, Germany and France are all expected to require fairly large imports. News from Russia suggests little prospect of that country producing a surplus. While the Balkan countries may do as well as a year ago, they are not expected to improve their export position.

* * *

Elevators Lose Business

Canadian country elevators are being drained of their grain. Practically the only wheat left on hand in Manitoba and Saskatchewan consists of less than car-lot quantities of different grades. Even these are not being held unless there is expectation of further deliveries which may complete car-lots. In other cases, cars are being bulkheaded to allow shipments of different grades in the same car, or the loading of a car of one grade is completed at two or more stations.

Less than eight million bushels of wheat remain in country elevators in the three western provinces, as against about 40 millions at this time in 1936 and still larger quantities in the immediately preceding years. This shrinkage in country elevator holdings is one of the factors which will be responsible for lean elevator company earnings in the year now drawing to a close.

For a while, elevator operators continued to hold wheat in Alberta elevators, hoping that an improvement in Vancouver spreads might allow shipment to the Pacific coast from stations where the freight rate to Vancouver is less than to the head of the lakes. With the advance of the season, however, Vancouver prices have shown a widening discount, and it is no longer practicable to ship any wheat to that port.

DIVIDEND NOTICES

Chartered Trust and Executor Company

Notice is hereby given that a dividend of 1% has been declared on the paid-up Capital Stock of Chartered Trust and Executor Company for the quarter ending June 30th, 1937, payable July 2nd, 1937, to shareholders of record at the close of business June 15th, 1937.

By Order of the Board.

E. W. McNEILL,
Secretary.

Dated at Toronto,
May 21st, 1937.

BP
BUILDING PRODUCTS LIMITED

BUILDING PRODUCTS LTD.

DIVIDEND NOTICE

NOTICE IS HEREBY given that a regular dividend of thirty-five (35) cents per share has been declared on the outstanding common shares of the company for the quarter ending June 30th, 1937, payable July 2nd, 1937, to shareholders of record June 15th, 1937.

By Order of the Board,

R. C. CROOKER,
Secretary-Treasurer.

SOUTHERN CANADA POWER COMPANY LIMITED

Preferred Dividend No. 70

A DIVIDEND of one and one-half per cent, (1½%) being at the rate of 6% per annum, on the PREFERRED STOCK of SOUTHERN CANADA POWER COMPANY LIMITED has been declared for the quarter ending June 30th, 1937, payable July 15th, 1937, to shareholders of record at the close of business on June 19th, 1937.

By order of the Board,

L. C. HASKELL,
Secretary.

Montreal, May 28th, 1937.

POWER CORPORATION OF CANADA LIMITED

Second Preferred Dividend No. 40

NOTICE is hereby given that a dividend of one and one-half per cent (75 cents per share) being at the rate of 6% per annum has been declared on the 6% Non-Cumulative Participating Preferred Stock of Power Corporation of Canada, Limited, for the quarter ending June 30th, 1937, payable July 15th, 1937, to shareholders of record at the close of business June 30th, 1937.

By order of the Board,

L. C. HASKELL, Secretary.

Montreal, May 28th, 1937.

McCOLL-FRONTENAC OIL COMPANY LIMITED

Preferred Dividend No. 38

NOTICE IS HEREBY GIVEN that a Dividend of $1.50 per share, being at the rate of 6 per cent per annum, has been declared on the 6 per cent Cumulative Preferred Stock of McColl-Frontenac Oil Company, Limited, for the Quarter ending June 30th, 1937, payable July 15th, 1937, to shareholders of record at the close of business June 30th, 1937.

By Order of the Board,

FRED HUNT,
Secretary.

May 26th, 1937.

BRALORNE MINES LIMITED

(Non-Personal Liability)

NOTICE is hereby given that a Quarterly Dividend of 10 cents per share and an Extra Dividend of 10 cents per share have been declared on the paid-up capital stock of the company, payable on the 15th day of July, 1937, to shareholders of record as of June 30th, 1937.

By Order of the Board

RONALD GRACE,
Secretary-Treasurer.

Vancouver, B.C.
June 3rd, 1937.

WESTERN GROCERS LIMITED

NOTICE OF DIVIDENDS

Notice is hereby given that the following dividends have been declared:

On the preference shares, 1¾% for the current quarter, payable July 15th, 1937, to shareholders of record June 20th, 1937.

On the Common Shares, 75c per share, payable July 15th, 1937, to shareholders of record June 20th, 1937.

By order of the Board.

W. P. RILEY,
President.

Winnipeg, Man.
June 5th, 1937.

THE B. GREENING WIRE COMPANY, LIMITED

Preferred Dividend No. 46

NOTICE IS HEREBY GIVEN that the quarterly dividend of one and three-quarters per cent on the Preferred Shares of the Company has been declared payable July 1st, 1937, to shareholders of record June 15th, 1937.

F. J. MAW,
Secretary.

Hamilton, Ont., June 4, 1937.

The Toronto Mortgage Company

Quarterly Dividend

NOTICE IS HEREBY GIVEN that a dividend of $1.50 per Share, upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after

2nd July, 1937,

to Shareholders of record on the books of the Company at the close of business on 15th instant.

By order of the Board,

WALTER GILLESPIE,
Manager.

3rd June, 1937.

UNDER THE MANAGEMENT OF POWER CORPORATION OF CANADA LIMITED

Canada Northern Power Corporation, Limited

Common Dividend No. 32

NOTICE is hereby given that a Dividend of 30c. per share being at the rate of $1.20 per annum, has been declared on the no par value Common Stock of CANADA NORTHERN POWER CORPORATION LIMITED for the quarter ending June 30th, 1937, payable July 26th, 1937, to shareholders of record at the close of business on June 30th, 1937.

By order of the Board.

L. C. HASKELL, Secretary.

Montreal, May 25th, 1937.

Dominion Square Corp.

From Our Own Correspondent

MONTREAL.—Dominion Square Corp. has notified holders of the 6% first mortgage bonds that the coupon due Oct. 1, 1934, will be paid on July 2, next. Payment will be made at the option of the holder in Canadian or American funds.

DIVIDEND NOTICES

BRITISH COLUMBIA POWER CORPORATION, LIMITED

DIVIDEND No. 36

NOTICE is hereby given that a dividend of Forty-five cents (45c) per share on "Class A" Shares has been declared for the three months ending June 30th, 1937, payable on July 15th, 1937, to shareholders as of record at the close of business on June 30th, 1937. Cheques will be mailed by the Montreal Trust Company, Montreal.

By order of the Board:

ERNEST ROGERS,
Secretary.

Vancouver B.C.
June 4th, 1937.

NORANDA MINES, LIMITED

DIVIDEND NOTICE

Notice is hereby given that an interim dividend of $1.75 per share, payable in Canadian funds, has been declared by the Directors of Noranda Mines, Limited, payable June 30th, 1937, to shareholders of record at the close of business June 16th, 1937.

By order of the Board.

T. N. HAY,
Secretary-Treasurer.

Toronto, June 8th, 1937.

Notice to The Holders of First (Closed) Mortgage Sinking Fund 6% Gold Bonds, Due April 1, 1948, of Dominion Square Corporation

NOTICE IS HEREBY GIVEN that the undersigned, Dominion Square Corporation, on the 2nd day of July, 1937, will make payment of the instalment of interest which became payable on the 1st day of October, 1934, in respect of the above mentioned Bonds.

Such payment will be made at the option of the respective holders, in lawful money of Canada, at the principal office of the Bank of Montreal, in the cities of Montreal, Toronto, Halifax, Quebec, Ottawa, Winnipeg, Regina, Edmonton, or Vancouver, or in lawful money of the United States of America at the head office of the National City Bank of New York, in the City of New York, U.S.A., upon presentation and surrender of the coupons representing the interest payable on the said 1st day of October, 1934.

MONTREAL, June 3rd, 1937.

DOMINION SQUARE CORPORATION
J. S. McFarland,
Secretary.

A. J. Pattison, Jr. & Co. Limited
Established 1907
For thirty years we have rendered a Standardized Service to
BANKS, INSURANCE AND TRUST COMPANIES, BROKERS, INDUSTRIAL CORPORATIONS AND INDIVIDUALS
IN BUYING AND SELLING
INDUSTRIAL AND PUBLIC UTILITY STOCKS AND BONDS
Royal Bank EL. 5101 TORONTO

Wheat Board Is Preparing Market Exit

To Liquidate Balance of Holdings Before July 31

VISIBLE AT NORMAL

Chairman J. R. Murray of the Canadian Wheat Board has stated that the Canadian Government will be out of the wheat business by the end of the present crop year on July 31. Latest statistics covering the supply of visible wheat in store offer verification.

Last week visible was down to within a few million bushels of 50 millions or only about a third of the total wheat held in public storage at this time a year ago.

At the present rate of export, carryover on Aug. 1 next will be well below 50 millions or about equal to what was usually considered normal in the old days before the wheat pools adopted their accumulating policy. The bulk, if not all this carryover, it is expected, will be in private traders' hands and the way cleared for the Government to get out of the grain business.

Details in bushels of the present supply situation are as follows:

Canadian Wheat in Store

Week of June 4	Week Previous	Last Year
55,318,000	58,068,000	162,899,000

Export Clearances*

Week of June 4	Week Previous	Last Year
2,784,884	2,953,549	6,537,396

*Plus U. S. imports.

The change from carryover of recent years is indicated clearly in the following table:

Canadian Wheat Carryover* At July 31

	(Bushels)
1937 (estimated)	35,000,000
1936	116,772,000
1935	203,275,000
1934	193,990,000
1933	211,759,000
1932	131,844,000
1931	134,078,000
1930	111,004,000
1929	103,749,000
1928	77,547,000
1927	50,766,000

*Figures do not include usually small quantities of Canadian wheat in store at United States points.

Where Board Stands

There is still curiosity, although no absorbing interest, in the present actual market position of the Wheat Board. Mr. Murray, in giving evidence before the Turgeon Commission at Regina, stated definitely that the quantity of wheat still on hand was "small." Ten million bushels represents the present maximum holdings attributed to the Board by observers and some guesses are decidedly smaller.

The Board is believed still to hold some cash wheat, most of which was accepted on the May contract, but the bulk of its holdings are supposed to be in the July future. Presumably there will be no occasion for the Board to accept deliveries on the July contract, as cash wheat is expected to maintain a premium over the future delivery, at least during the early part of July. The Board's holdings are considered so small relatively that the announced disposal before the end of next month is not considered an adverse market factor.

Windsor Court Apts. Operating Profit Up

Windsor Court Apartments, Windsor, Ont., had an operating profit of $14,372 in 1936 compared with $11,134 in 1935. This is before interest or depreciation.

All property taxes, including those for 1937, have been paid in full. Repairs and maintenance of $5,976 were paid during 1936. The company is in default of interest from June 1, 1933, on its $380,000 of 6% first mortgage bonds.

Conditions in Windsor are stated to have improved substantially and the apartment has a satisfactory percentage of occupancy. Gross revenues for the first three months of 1937 were $12,358 compared with $11,559 for the corresponding period of 1936.

Dominion Coal Reopens Louisburg Bunker Pier

From Our Own Correspondent

MONTREAL.—Dominion Coal Co. announces the transfer of coal bunkering business from Sydney to Louisburg to relieve the pressure on facilities at Sydney. Loading of steamers with bunker coal was interfering too much with the regular loadings from Montreal.

Wheat Facing Critical Time

Weather During Next Month Will Decide Crop Volume

From Our Own Correspondent

WINNIPEG. — The most critical month for Canada's wheat crop has now commenced. Without early and generous rains, especially in Saskatchewan, another below-normal total crop and disastrous drought losses over wide areas are certain. With too much rain rust may become a potent factor in large sections of Manitoba and southwestern Saskatchewan.

The start has not been particularly encouraging. Reserves of subsoil moisture are still depleted over the great central areas of the western wheat belt. At the beginning of the week the Dominion Bureau of Statistics survey summed up the average condition of spring wheat as only 85% of the long-term average at this season.

Provincial Survey

In Manitoba there has been continued improvement as the result of general rains and cool weather. In Saskatchewan, however, the outlook has been impaired by continued dry weather. A considerable portion of the seeded acreage south of the Canadian Pacific main line, and especially in the southwest part of the province, is believed already lost. In places moisture was insufficient to germinate seed and it has been blown out. In other places where germination took place there was not enough moisture to establish a proper root system. It is doubtful whether rainfall from now on will save much of this.

Alberta's outlook is decidedly more encouraging, but much of the precipitation so far has been in local showers, resulting in a spotty condition difficult as yet to assess completely.

In much of southern Saskatchewan the best hope is that rains will come soon enough to revive pastures for livestock and to enable coarse grains to be seeded for green feed.

Commodities

Slight recessions in representative Canadian commodity prices reflect world price tendencies rather than changes of consequence in the Canadian business situation. They are not regarded as unsettling, and most observers find the current situation a normal aftermath of the general advance earlier this year.

Some of the leading commodity and statistical authorities in other countries now predict a recession in commodity prices continuing, with perhaps periodic minor upturns throughout the summer. But they are in fairly general agreement that main underlying trends will be upward before the year end, with possible new peaks reached in 1938.

The 15% rise in prices between October and April last has been followed by a definitely lower trend, but here, again, no fear exists of a general collapse. Instead, the decline is regarded as entirely in keeping with underlying economic conditions and more closely adjusted to the latter than when the commodity list was at its April peak.

Comparative commodity prices follow:

PRICE RANGE

	Latest week	Previous week	Same week last yr.
Cattle	$8.75	$8.75	$6.00
Hogs	9.65	9.75	9.15
Copper, lb.	.14	.14	.09½
Cotton, lb.	.1324	.1330	.1178
Rubber, lb.	.1961	.2042	.1570
Sugar, raw, lb.	.0337	.0337	.0375
Silk, lb.	1.97	2.01	1.47
Wheat Man. (bu.)	1.15¼	1.33¾	.76¾
Coffee, lb.	.09⅝	.09⅝	.07⅛
Hides	.15½	.15½	.11

Weekly Indices

	Latest week	Previous week	Same week last yr.
N. Y. Annalist	142.5	143.4	120.4
Fishers'	92.6	93.3	81.2
N. Y. Journal of Comm.	90.2	90.8	79.5
Crumps (Brit.)	84.1	84.1	68.2
U. S. Labor	87.4	87.4	78.4
Canada (D.B.S.)	85.1	85.4	71.8

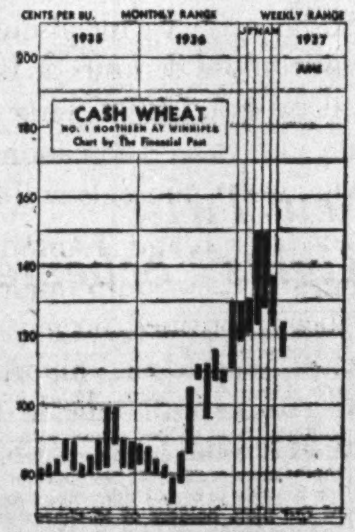
Monthly Indices

	Latest month	Prev. month	Same last year
Canada (D.B.S.)			
Retail (Apr.)	82.2	82.0	79.6
W'sale (Apr.)	86.1	85.5	72.2
United States (Apr.)	144.4	143.5	123.8
Gt. Brit. (Feb.)	91.0	90.1	80.3

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1929 = 100 base. U. S. is Annalist 1913 base.

Base of price quotations is as follows: Cattle—Steers, good, over 1,050 lb., top price, Toronto: Copper-electrolytic, New York: Silk—Japanese, 13-15, New York: Sugar — 96 degrees centrifugal c/f New York: Wheat — No. 1 Man. North. Ft. W.-Pt. A. Basis: Hides—No. 1 packer light native cows: Hogs—select bacons, Toronto.

Wheat Prices



(Cash Quotations)

	For Week June 8 High	For Week June 8 Low	Prev. Week High	Prev. Week Low
1 Man. Hard	1.21⅛	1.15¼	1.30½	1.23¼
1 Northern	1.21⅛	1.15¼	1.30½	1.23¼
2 Northern	1.17⅝	1.12¾	1.27⅝	1.20¼
3 Northern	1.17⅛	1.11¼	1.26	1.19½
4 Northern	1.12⅝	1.07¼	1.21½	1.14¾
5 Wheat	1.05⅝	.99¾	1.15½	1.08¾
6 Wheat	1.00⅝	.94¾	1.09⅝	1.02¾
Feed Wheat	.80⅝	.75¾	.86½	.81⅛
Vancouver: Week to June 7:				
1 Northern	1.15⅝	1.10¾	1.26	1.17¾

Competitive Export Prices:

June shipments—	Week to June 5 High	Low
No. 1 North. (afloat)	unquoted	
No. 1 North. (Atlan.)	1.43⅛	1.37⅞
No. 2 North. (Atlan.)	1.40⅛	1.34⅜
West Australian (afloat)	1.41¾	1.35⅝
Australian	1.40⅛	1.34¾
Indian (new crop)	1.35⅝	1.31
U. S. Soft White Pac.†	1.32⅛	1.30¼
U. S. 2 Hard Winters‡	1.34¼	1.32⅛

†Sept. ‡Aug.

Winnipeg Grain Futures

Week to June 8, 1937

Crop year from Aug. 1, 1936 High	Low		Open June 2	High for week	Low for week	Close June 8
		Wheat				
1.47	1.03¾	July	1.24⅛	1.26⅛	1.12¾	1.18¾
1.31⅛	1.04⅛	Oct.	1.16	1.16⅛	1.07	1.11¾
1.11¼	1.07	Dec.	....	1.11¼	1.07	1.10⅜
		Oats				
.60⅜	.43⅜	July	.55½	.55½	.52¼	.54⅜
.54⅜	.41	Oct.	.43⅜	.43⅜	.41	.42⅜
.40	.38¾	Dec.	.....	.40	.38¾	.39⅞
		Barley				
.83½	.56¾	July	.67	.67	.60⅞	.63⅞
.73¼	.51	Oct.	.58	.58¼	.53⅞	.55⅞
		Flax				
2.05	1.63¼	July	1.69½	1.70⅜	1.63½	1.66½
2.01	1.61	Oct.	1.67	1.67¼	1.61	1.66
		Rye				
1.19	.78¾	July	1.12	1.12½	.98	1.03½
1.04⅛	.76	Oct.	.85⅜	.96	.78	.90¼
.81	.74	Dec.	.....	.81	.74	.79

Cawthra Apartments Plan Is Approved

At the meeting held June 7, 1937, holders of the five-year notes due June 1, 1937, of Cawthra Apartments, Toronto, unanimously accepted the compromise plan presented to them.

Subject to court approval, the following capital changes will be made:

(1) Present common stock of the company is to be cancelled and replaced by an issue of 4,550 no par value common shares.

(2) Holders of the $29,750 of 6% notes, due June 1, 1937, are to receive one new common share for each $7 of notes held in full settlement.

(3) Holders of the present preference shares, of which 4,250 are outstanding, are to be given the privilege of two votes per share. Preference shareholders are to have exclusive voting rights at any time that the company shall have failed, after June 1, 1937, to pay four half-yearly dividends on this stock.

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Week in Mining

Trade Problems Block Gold Stabilization Road

News From London Generally Encouraging, Although Major Problems Remain to Be Solved—British Action Explained

One of the chief attractions of life in general, and the mining market in particular is the fact that nothing can remain static for very long, even such an apparently lifeless object as the market of the past few months.

On the whole, the rapid changes which have taken place in the gold scene in the past week or so appear to be most reassuring for the Canadian mining industry. These cheering factors are dealt with fully in an article in another section of this issue.

Satisfactory as is the news from London, it would be the height of folly to assume that Great Britain's action in raising her price for gold to a figure more in line with the established Washington price, necessarily means that she is pegging the price at 140 shillings 8½ pence. Sir John Simon has specifically warned that this is not the case.

The crux of the present intriguing situation seems to lie in the fact that solution of the world's currency problems is interdependent on solution of its trade problems.

The attitude of the British Empire and of United States is in effect that they are willing to try the effect of freer trade facilities on the currency question, but do not guarantee its effectiveness.

The danger inherent in the idea of trying to effect a better distribution of gold through freer trade is, of course, that through war or a renewed outburst of economic nationalism, the props might be knocked out from under the international trade structure. This is a remote evil and the nations participating in the new movement prefer to risk this remote evil to the imminent one of a collapse through lower gold prices.

Undertone Better

The effect of all this on the mining market is to give it a better undertone, a firmer foundation. At the time of writing, however, there has been no particular effect on the level of prices.

There has been some evidence that the base metals are still favored by those who look on the continued shortage of raw metals as a favorable sign. Labor fears, and the fact that the European and holiday attractions have taken many of the leading traders from the cities, continue to be factors producing a quiet market.

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C.I.O. Error

If the Committee for Industrial Organization selected the Cariboo area of B. C. as the setting for its debut in the Canadian mining field, it made a tactical, and perhaps vital, blunder. It would be hard to imagine a Canadian camp less vulnerable than the same Cariboo to the bludgeoning tactics of John L. Lewis and his organization.

The writer happened to arrive at the Cariboo on the day the strike was declared. It was evident, an hour after the 350 men at Island Mountain Mines and Cariboo Gold Quartz had been called out, that it was going to be a losing battle.

In the first place, when the men were persuaded to lay down their tools, they were apparently unaware that the Cariboo Gold Quartz Mine, alone among Canadian mines, carried strike insurance. It was therefore in a splendid position to resist the demands of the C. I. O. union.

In addition, from conversation with the striking miners, it was evident that they had been led to believe that in threatening to close down the mine indefinitely, officials of the Newmont - owned Island Mountain mine were bluffing. That this threat was no bluff was evident immediately after the men walked out. The pumps were stopped, and the mine workings allowed to fill. Notices were posted up requiring the men to remove their kit from the bunkhouses. It was evident that the company meant exactly what it said.

• • •

Bravado, or Blunder?

Thus, the Lewis group chose, for its Canadian mining debut, a camp in which one producer was protected by insurance, and the other a subsidiary of a powerful organization to which this particular mine was only one of many operations.

It is a risky thing to predict the outcome of any strike, but the evidence at Cariboo is overwhelmingly in favor of the view that the union has slim chances of forcing recognition of itself on the mine owners.

The alleged reason for the strike is, of course, a demand for higher wages and recognition of the C. I. O. union. A group of the men interviewed by The Financial Post did not even know that the union for which they were striking was a C. I. O. union, and had to ask their leader. While the level of wages at Cariboo is slightly lower than those paid at Bridge River, charges for board are lower at Cariboo, resulting in the third anomaly—the fact that the C. I. O. chose to make its debut in a camp which paid the highest net wage of any B. C. mining camp.

This selection may be an example of Lewis "courage." It looks to the impartial observer, however, as a major tactical error.

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Helium from Turner

Western newspapers are advocating that the claimed ability of Turner Valley to produce helium gas in commercial quantities, thus breaking the monopoly at present held by United States, be tested.

The facts are that during the war, it was demonstrated that the gas from the Bow Valley in Alberta contained one-third of 1% helium content. According to the Edmonton Journal, plans were under way for commercial production when the Armistice ended the demand.

It is being argued that the Hindenburg calamity, which demonstrated the superiority of non-explosive helium over hydrogen, will again stimulate demand.

The argument is logical providing that the Hindenburg disaster does not put an end to the lighter-than-air airship industry, thereby again curtailing the demand.

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Index to Mining Stocks

A continuation of declines dating from the latter half of the preceding week carried mining stock price averages down to points which have been resistance levels on two previous occasions during the past month. Rumors of lower gold prices in leading markets of the world circulated widely on May 31, and official denials did not prevent price declines in gold issues, although the volume of selling was not large. Base metals, which also turned weak at this time, made substantial recovery in the next two days, but reacted again on June 3 when London copper and lead quotations were reduced. The general price index of 24 mines, as compiled by the Dominion Bureau of Statistics, fell from 144.0 to 138.7 between the weeks ended May 27 and June 3, with the gold section dropping from 112.6 to 108.3, and base metals from 274.3 to 265.1. The general May average of 142.1 compared with 154.1 for the preceding month, the gold index declining from 120.0 to 111.3 and base metals from 288.0 to 269.3.

Drill Results Please Jedder Gold Official

From Our Own Correspondent

SUDBURY.—On his way from the property near Schreiber to Toronto on business, J. E. Derraugh told The Financial Post that drilling was proceeding satisfactorily at the Jedder Gold Mines. After completion of five shallow holes, a larger drill has been sent to the property and a deeper hole has been started to explore the vein. The first hole will probably be bottomed around 350 feet and will be directed from the south.

The last hole completed, Mr. Derraugh reports, in exploring No. 3 vein, cut 10 feet of mineralized porphyry. Additional surface work is to be undertaken in an effort to disclose other showings.

Lebel Oro Treating 90-95 Tons Per Day

From Our Own Correspondent

SUDBURY.—Between 90 and 95 tons daily are being treated at the mill of Lebel Oro Mines at Long Lake, near Sudbury, L. K. Fletcher, president, stated when in the city last week. The ore is being taken from the old "glory hole" and mill heads are being maintained up to expectations. Work to date indicates that the ore reserves may run better than the 40,000 tons originally estimated, Mr. Fletcher stated.

At a later date it is the intention to carry development below the present workings, to prove up the intersections disclosed by diamond drilling.

Sterling Pacific Flow About 900 Barrels Daily

In a recently published article on developments at Turner Valley appearing in The Financial Post, an unfortunate typographical error indicated that Sterling Pacific's No. 4 well was producing about 90 barrels of crude per day. This well is currently producing about 900 barrels per day, of a grade which brings about $1.67 per barrel.

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Better Grade At Sylvanite

Kirkland Lake Producer Earns .29 Cents a Share

BEST YEAR YET

From both the physical and fiscal points of view, the annual report of Sylvanite Gold Mines, Kirkland Lake producer, covering the fiscal year ended March 31, 1937, shows the company to be in the best position of its history. Earnings of 29 cents per share represent an increase of three cents per share over the previous year's figure.

The main shaft is down to 3,600 feet in depth, and development work for the next year or so will be concentrated on opening up the many unexplored levels above this depth. Ore reserves estimates are confined to broken ore, which is placed at 84,866 tons, compared with 82,415 tons the previous year.

During the year, 166,131 tons of ore were milled, giving a gross recovery of $2,147.237, or a recovery per ton of .37 ounce. In the previous year, recovery per ton was .36 ounce.

Operating costs per ton milled showed a slight increase over 1936, at $5.74 per ton, as compared with $5.62 per ton the previous year. This increase was due almost wholly to an enlarged programme of development and exporation.

As at March 31, 1937, working capital stood at $514,440 as compared to $864,670 at the end of the previous fiscal year.

Income and Surplus Account
Years Ended Mar. 31

	1937 $	1936 $
Bullion production	2,147,237	*1,931,892
Less: Mktg. & ref. exps.	5,782	5,834
Mint handling chgs.	21,350	16,751
Oper. expenses	857,444	766,516
Administ. exps.	60,112	59,117
Net oper. earnings	1,202,549	1,083,674
Add: Invests. & exch.	28,190	24,174
Total net earnings	1,230,739	1,107,848
Less: Res. for deprec. .	125,044	119,732
Reserve for taxes ..	160,000	113,000
Net profit	945,695	875,116
Less: Dividends	824,875	659,900
Surplus for year	120,820	215,216
Add: Prev. surplus ..	705,303	661,504
Prof. on bonds sold	6,658	3,896
Less: Devel. exps. w/o	187,502	175,313
Balance forward	645,279	705,303
*After deduction of $29,077 gold tax.		
Earnings per Share and Dividend Record:		
Earned	$0.29	$0.26
Paid	0.25	0.20
Shares Outstanding:		
Common, par $1 ...	3,299,500	3,299,500

Foundation Petroleum Assets Total $17,433

No further development is being undertaken by Foundation Petroleum at the present time, F. P. Byrne, president, states in the first annual report of the company for the fiscal year ended March 31, 1937. Accordingly, unless shareholders decide at some future date to develop the Pincher Creek acreage, or to sink another well on the Turner Valley acreage, the capital position of the company should remain intact.

At the end of March, the company had current assets of $17,433, against current liabilities of $12,053. Advances from Anglo-Canadian Development Co. and allowance for use of drilling equipment and wage bonus, payable from one-third of net proceds of production total $46,120. The total amount of this latter item has been postponed pending a contemplated extension of time for payment.

From the time the well blew in, on Dec. 8, 1936, until the end of March, proceeds from production amounted to $36,046, from which is deducted 22½% gross royalty of $8,110. Production expenses, including an item of $14,129 covering expense of clearing the bailer, amount to $19,865, leaving a credit balance of $8,071 at the end of March.

Ore Reserves at Algold Set at 100,000 Tons

Work at Algold Mines since the last report has forced revision of the estimate of 40,000 tons of ore in the West Pit ore body, says R. F. Mitchell, M.E., in his latest report on operations at this Gaudreau property.

"I think we can now safely estimate 100,000 tons of positive ore in this body with an additional 35,000 tons which requires some further work to promote to the positive category," Mr. Mitchell says.

At its rated capacity of 100 tons daily, there is thus four years feed ahead for Algold's mill; this is exclusive of ore remaining in place in the older workings, previously estimated as 10,000 tons. The engineer is aiming at costs running $4-$4.50 per ton for mining and milling, and says that on the average grade of ore that has been drawn from the main source, the west ore body during the past few months, a good margin of profit can be anticipated.

News Concentrates

God's Lake Gold advises that on the fourth level, west of the Sucker Creek fault, the ore has been opened for 260 feet, with assays running 0.36 oz. per ton across 4.6 feet. It is reported that broken ore reserves have been increased to 30,000 tons as at April 30, as compared with 25,800 tons at Dec. 31, 1936. It is reported that by June 1 the mill will be handling about 200 tons per day.

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MacLeod-Cockshutt Gold in crosscutting to the north on the 200-foot level has intersected ore 100 feet from the shaft. Grade in the crosscut is estimated by the management at about one oz. per ton across 15 feet. Drifting is now under way. Another crosscut will be pushed north to intersect the ore found by drilling, which ran 0.5 oz. per ton across 12 feet. It is expected that the crosscut will have to go about 200 feet.

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Madsen Red Lake reports that the shaft on the Austin vein is now down 149 feet and the plant is working satisfactorily. Construction programme on the surface is nearing completion. Transmission line has been completed, but power will not be available until late in July. The company has installed steam boilers and a high speed engine to meet this situation.

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Richgreen Gold has a crew now doing development work on its Beardmore claims, and reports that a reef, discovered on adjoining territory belonging to Standing Stone Gold, is being traced into the Richgreen claims and seems to run across them. A stripping and trenching programme is being laid out with the object of proving the extent and value of this reef. Richgreen reports funds in hand for several months work.

• • •

Shawkey Gold reports that April production was $10,400, the mill being closed down for 18 days last month because of power plant trouble and the change over to electrical equipment. March production was $27,400, considerably below the average for the previous months owing to the milling of a large tonnage of ore from the surface dump in conjunction with the programme of shaft enlargement.

The management anticipates that production will be back to normal this month, production having resumed May 4. By the end of the month the shaft will be completed to the 575-ft. level, it is expected, and development of new discoveries will then be undertaken.

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Scott Chibougamau Mines has a crew now on its property in Bousquet twp., Quebec, and will concentrate work on the opening of two quartz veins previously discovered, where widths of three to five feet and assays of $4.50 to $8.75 per ton were shown.

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Sigma Mines reports production for April as $77,591 from 9,149 tons of ore, an average of $8.66 per ton. Mill averaged 305 tons per day during April, first full month that it has operated. During the month a total of 995 feet of development work was done.

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Young-Davidson Mines milled 27,691 tons during April for a recovery of $92,309, an average of $3.33 per ton. Production for the first four months of this year now amounts to $341,224 from 110,505 tons milled, giving an average grade of $3.08.

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Ainsworth Mines—Will be able to ship lead-silver mill feed after June 14 to the 50-ton custom concentrator being built on the Kootenay River, four miles above Nelson, B.C., by Ayrton, Cohen and Co. of London, England, a telegram advises officials of Ainsworth here. The concentrator will be ready for operation June 25, and Ainsworth has already arranged to send its lower grade ore to the concentrator for reduction.

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Amm Gold Mines—Has completed a power line and begun a three-compartment shaft that, in the first stage of sinking, will reach 300 ft. By July 1, a complete electrical plant, capable of carrying operations to a depth of 1,000 ft., is expected to be in operation. On two shears running 4-6 ft. wide and 100 ft. apart, 7,700 ft. of diamond drilling has been done and results indicate a low to medium grade deposition of gold about 360 ft. long and 300 ft. deep.

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Bousquet Gold Mines—May production from this West River operation is set at close to $20,000 it is learned. In cleaning up preparatory to closing down, some higher grade material has been going to the mill, accounting for the increased output. Officials report sufficient ore to maintain milling until the end of June.

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Brown Cadillac Gold Mines—Has already started No. 7 drill hole on its property, having contracted for about 3,000 ft. of drilling. The hole is down approximately 150 ft. and surface sampling is being done. R. C. Bryden, formerly consulting engineer for O'Brien Gold Mines, is directing operations.

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Doreva Gold Mines—In Bousquet twp., Quebec, reports that the crosscut on the 150-ft. level of the prospect shaft has cut 14 ft. of vein matter. The intersection was made 25 ft. from the shaft, and the material cut is believed to be the downward continuation of some high-grade encountered in a surface pit.

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Lancour Mines—Now has No. 6 drill hole down over 700 ft. on the property adjoining Pamour in the Porcupine district of Ontario. This hole is going down to pick up the extension of the vein cut in No. 5 drill hole. Formation revealed by the drill core is highly altered chloritic lava, with occasional quartz stringers showing some pyrite and pyrrhotite.

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Maestro Silver Lead Mines — Should begin shipping ore by the end of this month barring unforeseen delays, reports Carl M. Mohr, vice-president and general manager, who is en route to the property at Ainsworth, B.C. Mining supplies have been bought, a compressor and electric motor installed and all usual work required to place the property in production has been completed.

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Martin McNeely—Holding a 14-claim gold prospect of two groups in Dome twp., Red Lake area, does not intend to spend any more money on the properties, says H. Stockdale, president, in the annual report. Extensive exploration and diamond drilling last summer revealed no ore body, and work was suspended on the advice of John W. Shaw, consultant. Mr. Stockdale states that the funds now in the treasury will be used to secure a property elsewhere. Cash on hand at Dec. 31, 1936, totalled $59,402, with no current liabilities.

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Monetary Metals—Has abandoned its plan to finance and incorporate a new company to take over and develop its Red Lake claims as shareholders disapprove directors' proposal to sell the Red Lake properties and receive only escrowed stock in return. Monetary Metals will develop the claims itself, and has called a special general meeting of shareholders to cancel the previous proposal. The engineer reports that a well-mineralized dyke has been located in the northeast section of the group, with a fair showing at the south end. No assays have yet been taken.

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Mylamaque Gold Mines—Is undertaking at once a new programme of exploration for the property adjoining Lamaque Gold in Bourlamaque twp., Quebec. This will include a geophysical and electrical examination of the southern break on the claims to determine the best location for spotting drill holes. Diamond drilling has been done on the south contact and the first hole is now going down, but the geophysical test will determine the locations for future holes.

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Westwood Cadillac Mines — Has contracted for a minimum of 5,000 ft. of diamond drilling, Julius M. Cohen, consultant, advises head office. Highest assay values returned were from a 20-ft. section running $13.40 in gold. Some of the best values, Mr. Cohen reports, are from the western section already trenched, and additional trenching is being done in this direction.

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Pandora Cadillac — Reports that recent diamond drill results toward the west end of the property, about 1¾ miles from the present workings, have disclosed an important ore body showing a length of 900 ft. over an average width of 4½ ft., with possibilities of parallel veins. Six holes have been completed, starting from hole No. 54 at the Wood-Cadillac boundary and going east.

Progress Is Reported At East Malartic Mine

From Our Own Correspondent

MONTREAL.—Operations at East Malartic Mine for the period from April 16 to 30, covered in the report by general manager J. P. Norrie, show that at No. 2 shaft the vein in 2-8 West drift was extended 74.2 ft. in ore of drift width and average grade. Raise 2-6R1 on the 2-6 vein was extended 44 ft. in $9.80 ore of drift width. It now appears that this vein continues through to the 175-ft. level.

Diamond drilling on the boundary ore body has extended the ore to 700 ft. in drill holes 54 and 55. The former cut 3 sections of ore, which from 188.3 ft. to 215.8 ft. assayed $5.06. From 262.7 ft. to 274.3 ft. the ore assayed $11.04. From 326 ft. to 337 ft. the assay values ran $3.75.

Drill hole No. 56, from 225 ft. to 255 ft., assayed $4 a ton, according to the report.

Mining Dividends

	Rate	Close June 7	Yield %
Anglo-Huronian	20c	6.20	..
Beattie Gold	‡5c	1.20	..
Bralorne	40c+25c	7.25	*8.9
Buffalo Ankerite .	50c+5c	9.70	*5.7
Bulolo Gold	‡1.50	23.50	..
Cariboo	10c	1.60	6.2
Central Patricia	4c	3.20	..
Coniagas	12½c	2.00	..
Coniaurum	5c	1.34	..
Cons. Smelters	$1+$1	81.00	..
Dome Mines	$2+$2	41.00	*9.7
Falconbridge	25c	7.65	3.9
Hollinger	65c+45c	14.00	*8.5
Howey Gold	4c	.80	..
Hudson Bay	75c	29.25	..
Island Mountain	‡10c	1.70	..
Int. Coal & Coke	1c	.21	..
Inter. Nickel, com. ..	$2	60.00	3.3
Inter. Mining	10c	3.00	..
Kerr Lake	15c	.33	..
Kirk. Lake	5c	.63	..
Lake Shore	$4+$1	50.00	*9.5
Lava Cap M.	5c	.91	..
Little Long Lac	10c	5.30	..
Macassa	15c	3.65	..
McIntyre	$2	45.00	5.7
McKenzie Red Lake ..	4c	1.10	..
McKinley Sec.	1c	.63	..
McWatters Gold	6c	1.10	..
Noranda	$3	61.50	..
Nor. Can. Mining	2c	.30	..
Nipissing	7½c	2.40	..
Placer Develop.	180c	15.50	..
Premier	12c+1c	1.60	10.5
Pioneer, B.C.	40c	3.20	..
Pickle Crow	10c	3.70	..
Reno	7c	.96	..
San Antonio	10c	2.10	..
Sheep Creek	8c	.96	..
Siscoe	12c	1.40	..
Sudbury Basin	10c	4.00	*5.2
Sullivan Cons.	12½c	1.10	..
Sylvanite	25c+4c	3.25	*7.7
Teck-Hughes	40c+5c	5.20	*8.6
Toburn	5c	1.65	..
Ventures	‡12½c	5.20	..
Wright-Hargreaves 25c+25c		6.30	*10.3

‡Interim. †Initial.
*Yield includes bonus.
§In addition, the company has declared an increased dividend of 10 cents per share payable June 30, 1937.

Mexico Gives New Twist To Old "Rights" Scheme

The Toronto Better Business Bureau brings to the notice of investors an offering of "rights" in the "Purisima Mining Co. of Mexico," which aroused the suspicions of an American physician to whom the company's literature was sent. This company's activities were investigated at the request of the Better Business Bureau of Scranton, Pa.

The perpetrators of the scheme sent out circulars advising investors that in order to protect their "interests" in the above-named company, which was being succeeded by Chiapas Mining Co. of Mexico, they should forward the sum of $212.50 without delay. Purisima Mining Co., the "predecessor" company, notified the surprised recipient of its circulars that his name appeared on its books as a stockholder who had paid $850 for his holdings.

"As to how you acquired the stock," says the announcement naively, "we are not certain, as none of the officers or directors have any connection with the old company and our records are incomplete." Unconsciously prophetic is the statement that the offering of rights is being made "in consideration of your investment—now a total loss to you."

Investors were advised that 750,000 shares of Purisima Mining Co. had been set aside for allotment to unitholders at $1 per share, with a credit of 75 cents per paid-up share, the balance of 25 cents per share being payable in cash. Under the terms of the plan, holders of 10 shares in Purisima Mines were told that they were entitled to 10 shares of Chiapas Mining Co. common stock, valued at $1 per share.

As an additional attraction the company offered two "easy payment" plans, under the first of which the shareholder could pay one-third down and the balance within 30-60 days. For this accommodation, an interest rate of 1% was charged.

Alternatively, the prospective shareholders could make their payments in 10 equal monthly installments. If this failed to attract clients a plan offering still easier terms was provided. A Toronto broker whose license has since been revoked by the Ontario Securities Commission worked with the Mexican company and quoted shares of Chiapas Mining Co. at $1.12½ bid, $1.62½ asked.

Valcartier Camp Returns to Life

From Our Own Correspondent

QUEBEC. — Valcartier camp, mobilizing centre for the first Canadian Expeditionary Force in 1914, will soon be able to accommodate a small army of 20,000 men as the result of works being carried out there for the Department of National Defense.

Three hundred men, working six days a week, are erecting 31 buildings in the camp, 29 of which will be barracks for troops, one a drillhall and another a chapel. In addition a shooting range, 100 feet long and 60 feet wide, is under construction, while a number of other buildings are to be put up in the near future.

The Federal Government intends completing the camp by erecting big hangars, to house airplanes and make the camp one of the most modern in Canada.

Anaconda Oil Stock Called on Montreal Curb

From Our Own Correspondent

MONTREAL. — Anaconda Oil Co.'s stock has been called for trading on the Montreal Curb Market. Listing covers total authorized issue of four million shares of no par value of which 2,042,540 shares have been issued.

The company reports one million shares under option at 25 cents a share for 330 days from March 8, 1937. Of these shares 100,000 have been issued against payment of $25,000 and are to be held in trust until the optionee pays an additional $75,000. The 100,000 shares already issued had to be taken up within 60 days of March 8 and additional blocks of 100,000 shares are to be taken up during the period of 30 days following the 60-day period mentioned.

Anaconda Oil was incorporated in 1926 and now holds 6,831 acres of petroleum and natural gas in and around the Turner Valley field in Alberta. The company also owns royalties in several producing wells. A drilling contract has been let for the company's own property.

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Newly-formed Mining Companies

Dorcu Mines—Que. incorp. May 13, 1937. H. O. La Sarre, dist. of Abitibi, Que. Auth. cap. 3,000,000 shares, $1 par.

Erin Kirkland Gold Mines—Ont. incorp. May 18, 1937. H. O. Cobalt, Ont. Auth. cap. 3,000,000 shares, $1 par.

Gold Channels—B.C. incorp. May 27, 1937. H. O. Suites 1 and 2, 425 Howe St., Vancouver, B.C. Auth. cap. 100,000 shares, $1 par.

May Output $227,000 For Buffalo Ankerite

May production of approximately $227,000 is reported by Buffalo Ankerite Gold Mines, from 27,282 tons milled.

The following table gives production for the first five months of the current calendar year:

	Tons Milled	Production $
January	26,822	203,849.45
February	25,116	216,494.28
March	27,347	225,971.71
April	28,224	217,696.07
May	27,282	*227,000.00
	134,791	1,091,011.51

*Approximate.

OPTIONS

Consolidated Chibougamau—Advises that an additional 25,000 shares have been taken up at $1 per share under agreement dated May 18, 1934. This brings total issued capital to 2,810,000 shares. Balance of option covers 190,000 shares at $1 exercisable by Jan. 1 next.

Gold Bell Mining—Has received payment for 60,000 shares at 20 cents per share, completing the option. This brings total issued capital to 2,000,000 shares.

Ontario Nickel Corp. Working Two Drills

From Our Own Correspondent

SUDBURY.—Ontario Nickel Corp. has two diamond drills at work at the Mount Nickel Mine, adjoining the Frood and Stobie, just north of Sudbury. At present a drill is boring at an angle of 45 degrees designed to intersect the deposit at a depth of 600 feet (400 vertical), and the objective is expected to be reached within a few days. A previous hole put down vertically is stated to have cut about 90 feet of ore. The deeper drilling is expected to prove the dip of the ore, indicated by previous work some years ago to be a continuation of the Stobie-Frood deposit.

Parkhill Gold Mines Executives Changed

From Our Own Correspondent

MONTREAL. — Sir Thomas Tait has resigned as president of Parkhill Gold Mines (1937), while Chas. Adams has resigned as director. A. P. Earle has been elected president and F. Curzon Dobell, vice-president. G. F. Racine has been added to the board of directors.

Additional Stock Listed By Home Oil Co.

From Our Own Correspondent

MONTREAL.—Montreal Curb Market has listed 736,000 additional shares of no par value of Home Oil Co. This additional listing results from the recent offering of rights to the shareholders to purchase one additional share for each share held.

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Coronation Impressions
By H. NAPIER MOORE
Editor of Maclean's
who was present in Westminster Abbey
Beverley Baxter's LONDON LETTER
An intimate account of the struggle within the Conservative Party over the Excess Profits Tax in Neville Chamberlain's last Budget.
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Detective Treadgold solves the baffling mystery of the red-headed man from South Africa.
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June 15th Issue

Grant Charter For Railway

Bill 99 Important to Chibougamau Development

The Quebec Legislature has confirmed the right and powers of the charter granted to the Quebec Saguenay & Chibougamau Railway Co. some years ago, with the third and final reading of private bill No. 99 which was passed by the legislative council at Quebec. This bill declares that the Quebec Saguenay and Chibougamau Railway Co. must complete the construction of and place in operation their railroad.

This charter has an important bearing on developments in the Chibougamau and Doré Lake area where Consolidated Mining and Smelting Co. of Canada are developing the properties of Consolidated Chibougamau gold fields.

It is understood that the line will start at Chicoutimi in the Lake St. John country and will terminate at Lake Chibaugamau.

Gomak Mines to Offer New Issue of Stock

Shares of Gomak Mines, Ltd. are currently being offered by Barrett, Lewis & Co., of Toronto, which has underwritten and optioned a total of 1,000,000 shares of the company's stock. The shares are being offered to the public at 35 cents per share and at a lower figure to shareholders of Porcupine Crown Mines, Ltd., the parent company, which has financed operations to date.

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Flying Creates Mining Centre

Shipment of a complete mining town by air to Favorable Lake, Ontario, where rich ore deposits have been found, is aviation's latest contribution to the development of Canadian mining. Favorable Lake is 150 miles from Berens River, Manitoba, and northeast of Winnipeg.

Heavy mining machinery, Diesel and steam plants and a 60-foot smokestack were included in the shipments. Large machinery was broken down and carried piecemeal. The smokestack, six feet in diameter, was carried in sections. Awkward equipment, such as canoes, rails and boats, was strapped to the wings or lashed to the pontoons of the "flying box cars." Despite their cumbersome loads, pilots flying in the equipment did a remarkable job, never missing a single take-off or landing.

Reward Buys More Claims

Surf Inlet Property Centre of Interest Report Indicates

Reward Mining Co. in a balance sheet as at March 31, 1937, accompanying the annual report shows a strong cash position with current assets of $32,181 against current liabilities of $3,665. This leaves working capital of $28,516.

Of the current assets, $30,435 is in cash.

Summarizing the mining affairs of the company, John D. Galloway, managing director, states that at the Ketchikan property, the company retains a 15% interest in the Sea Level mine now under option to American interests. Provided the option is exercised, Reward Mining Co. will receive 15% of the payments as they are made.

The company acquired under option in May, 1936, the Edye Pass property on Porcher Island. Development work is being carried out at this property but results are, to date, inconclusive.

The company last February bought a 75% interest in the Surf Point Mine from N. A. Timmins Corp. Owing to the erratic nature of the deposits little attempt has been made to block out ore. The estimate of the former management indicates two years' ore for the present plant. At the present time 40 to 50 tons of ore per day is being mined, of which 25 tons is milled, the remainder being waste that is thrown out.

Bridge River

In the Bridge River district the company last summer carried out surface exploration of the Dauntless group. Work on the property was discontinued last fall but may be resumed when funds are available.

In the Cariboo district the company owns a total of 19 claims adjoining the property of Island Mountain Mines. It is intended to hold the claim for annual assessment work.

Reward Mining Co. holds 500,000 shares of Reward Oil Ltd. which in turn owns 2,140 acres of oil leases in Alberta. Reward Oils is joining with Model Oils and Spooner Oils in drilling a well on Model acreage in Turner Valley. This well is situated 1,600 feet south of the B. & B. well. This well is expected to reach the limestone some time in August.

Ontario's Gold Camps Report Higher Output

Production Figure for First Quarter Is $21,291,787 — Algoma, Kenora and Rainy River Only Areas Failing to Show Increase

As compared with the first quarter of 1936 this year's operations of Ontario gold mines show a gain of 9.7% in tonnage milled and 11.4% in the value of the crude bullion recovered during the first three months of 1937. Except for Algoma, Kenora and Rainy River, all areas showed important increases in mining and milling operations, the Ontario department of mines reports.

Development work carried on has expanded known gold areas and brought many other areas within measurable distance of production. In western Ontario the Red Lake, Pickle Crow and Little Long Lac areas were most active, and important developments continued in Hastings, Larder Lake, Kirkland and Porcupine districts in the eastern part of the province.

Porcupine Camp

Vipond (Anglo-Huronian)

	1st Qu.	4th Qu.
Total recovery ....$	142,065	123,784
Tons milled	25,319	25,759
Recovery per ton ....$	5.61	4.81
Tons daily	281.3	280

Buffalo-Ankerite

	1st Qu.	4th Qu.
Total recovery ....$	646,315	588,335
Tons milled	79,285	77,678
Recovery per ton ....$	8.12	7.57
Tons daily	880.9	844

Coniaurum

	1st Qu.	4th Qu.
Total recovery ....$	340,320	350,833
Tons milled	39,720	42,495
Recovery per ton ....$	8.57	8.17
Tons daily	441.3	467

Dome

	1st Qu.	4th Qu.
Total recovery ......$	1,901,613	2,016,584
Tons milled	140,800	138,800
Recovery per ton ....$	13.51	14.53
Tons daily	1,564.4	1,509

Gillies Lake Porcupine

	1st Qu.	4th Qu.
Total recovery ......$	75,395	87,163
Tons milled	4,861	5,136
Recovery per ton ....$	15.51	16 97
Tons daily	54	56

Hollinger

	1st Qu.	4th Qu.
Total recovery ......$	3,602,948	3,774,159
Tons milled	429,745	438,956
Recovery per ton ....$	8.38	8.60
Tons daily	4,774.9	4,771

Hollinger (Ross)

	1st Qu.	4th Qu.
Total recovery ......$	75,137	55,669
Tons milled	7,506	7,628
Recovery per ton ....$	10.01	7.28
Tons daily	83	82

McIntyre Porcupine

	1st Qu.	4th Qu.
Total recovery ......$	2,089,186	1,962,667
Tons milled	214,200	218,400
Recovery per ton ....$	9.75	8.99
Tons daily	2,380.0	2,374

Pamour Porcupine

	1st Qu.	4th Qu.
Total recovery ......$	421,434	406,577
Tons milled	63,629	65,560
Recovery per ton ....$	6.62	6.20
Tons daily	706.9	713

Paymaster

	1st Qu.	4th Qu.
Total recovery ......$	292,667	271,402
Tons milled	40,288	39,207
Recovery per ton ....$	7.26	6.92
Tons daily	447.6	4.26

Kirkland Lake Camp

Bidgood

	1st Qu.	4th Qu.
Total recovery ......$	108,108	103,708
Tons milled	9,700	7,649
Recovery per ton ....$	11.15	13.56
Tons daily	107.8	63

Kirkland Lake Gold

	1st Qu.	4th Qu.
Total recovery ......$	276,319	201,743
Tons milled	20,671	20,746
Recovery per ton ....$	13.37	9.72
Tons daily	229.7	226

Lake Shore

	1st Qu.	4th Qu.
Total recovery ......$	4,101,746	3,976,933
Tons milled	215,231	225,923
Recovery per ton ....$	19.06	17.60
Tons daily	2,391.4	2,456

Macassa

	1st Qu.	4th Qu.
Total recovery ......$	314,693	333,459
Tons milled	19,144	18,818
Recovery per ton ....$	16.44	17.72
Tons daily	212.7	313

Omega

	1st Qu.	4th Qu.
Total recovery ......$	173,297	133,774
Tons milled	36,097	35,828
Recovery per ton ....$	4.80	3.73
Tons daily	401.1	389

Sylvanite

	1st Qu.	4th Qu.
Total recovery ......$	554,763	575,069
Tons milled	42,784	42,622
Recovery per ton ....$	12.97	13.49
Tons daily	475.4	463

Teck-Hughes

	1st Qu.	4th Qu.
Total recovery ......$	1,086,242	1,170,211
Tons milled	91,235	99,194
Recovery per ton ....$	11.91	11.79
Tons daily	1,013.7	1,078

Toburn

	1st Qu.	4th Qu.
Total recovery ......$	212,122	194,078
Tons milled	8,700	8,020
Recovery per ton ....$	24.38	24.19
Tons daily	96.7	87

Wright-Hargreaves

	1st Qu.	4th Qu.
Total recovery ......$	1,854,435	1,929,997
Tons milled	107,150	106,550
Recovery per ton ....$	17.31	18.11
Tons daily	1,190.6	1,158

Matachewan

Matachewan Consol.

	1st Qu.	4th Qu.
Total recovery ......$	151,774	116,678
Tons milled	26,529	15,251
Recovery per ton ....$	5.72	7.65
Tons daily	294.8	165

Young-Davidson

	1st Qu.	4th Qu.
Total recovery ......$	248,986	300,774
Tons milled	82,814	81,534
Recovery per ton	3.01	3.68
Tons daily	920.2	886

Algoma

Darwin

	1st qtr.	4th qtr.
Total recovery ......$	65,102	62,575
Tons milled	3,997	4,780
Recovery per ton ....$	16.36	13.10
Tons daily	44	52

Minto

	1st qtr.	4th qtr.
Total recovery ......$	15,894	62,575
Tons milled	9,599	9,942
Recovery per ton ....$	1.66	3.88
Tons daily	106.7	108

Parkhill

	1st qtr.	4th qtr.
Total recovery ......$	73,483	75,326
Tons milled	6,469	5,824
Recovery per ton ....$	11.36	12.93
Tons daily	71.9	63

Leitch

	1st qtr.	4th qtr.
Total recovery ......$	42,349	......
Tons milled	4,711	......
Recovery per ton ....$	8.98	......
Tons daily	52.3	......

Thunder Bay

Little Long Lac

	1st qtr.	4th qtr.
Total recovery ......$	427,705	418,453
Tons milled	22,370	22,775
Recovery per ton ....$	19.12	18.37
Tons daily	246.6	247

Northern Empire

	1st qtr.	4th qtr.
Total recovery ......$	165,264	241,854
Tons milled	15,625	16,564
Recovery per ton ....$	10.57	14.60
Tons daily	173	180

Tashota

	1st qtr.	4th qtr.
Total recovery ......$	98,976*	15,562
Tons milled	4,151	4,223
Recovery per ton ....$	...	3.50
Tons daily	...	64

*Excluding 183,764 lb. copper contained in concentrates sold for 1st quarter, 1937, and 155,687 lb. copper in 1936. The figure for the 1st quarter, 1937, includes from 1,887 oz. gold contained in concentrates shipped to U.S.A. Current bullion production for the period was $30,437.

Kenora & Rainy River

Wendigo

	1st qtr.	4th qtr.
Total recovery ......$	39,658	32,941
Tons milled	4,304	7,162
Recovery per ton ....$	9.21	4.59
Tons daily	47.8	77

Patricia

Argosy

	1st qtr.	4th qtr.
Total recovery ......$	75,133	85,878
Tons milled	4,637	4,685
Recovery per ton ....$	16.20	18.33
Tons daily	51.5	...

Central Patricia

Total recovery ......$	322,016	333,916
Tons milled	18,124	16,650
Recovery per ton ....$	17.77	20.35
Tons daily	201.4	180

Howey Gold

	1st qtr.	4th qtr.
Total recovery ......$	291,542	292,757
Tons milled	132,423	134,473
Recovery per ton ....$	2.20	2.17
Tons daily	1,471.4	1,461

McKenzie Red Lake

	1st qtr.	4th qtr.
Total recovery ......$	226,022	163,944
Tons milled	13,832	22,909
Recovery per ton ....$	16.34	7.15
Tons daily	153.7	249

Pickle Crow

	1st qtr.	4th qtr.
Total recovery ......$	408,946	406,020
Tons milled	14,966	23,814
Recovery per ton ....$	27.33	17.04
Tons daily	166.3	258

Red Lake Gold Shore

	1st qtr.	4th qtr.
Total recovery ......$	133,893	102,054
Tons milled	13,196	11,468
Recovery per ton ....$	10.15	8.88
Tons daily	146.6	124

News Concentrates

Omega Gold is said to have shown little change in recovery for the final quarter of the 1937 fiscal year, ended March 31, over the preceding quarter, when it averaged $4.20 per ton. For the year operating profit was about $100,000, with no change in the ore reserve position. Costs fell below anticipated reductions, and delay in the delivery of the new main hoisting plant seriously interfered with plans. It is likely that this will be delivered and put into operation this month, as upon its installation depends the expansion of exploration and production.

* * *

Rebair Gold Syndicate has completed No. 1 diamond drill hole to depth of 60 feet. The property is in Lake of the Woods area, and it is reported that a well-mineralized vein 10 feet wide was intersected.

* * *

Armistic Gold is now on diamond drill hole No. 4, west to northwest from the Kerr-Addison boundary in Larder Lake area. The company reports that during the past three months about 1,600 feet of drilling has been completed.

* * *

Fondulac Mining Corp. will start a diamond drilling programme immediately. The company has had a crew of 25 men working steadily during the past winter.

* * *

Mandy Mines says in its annual report that a survey will be made this season by Dr. Forrest Kerr covering the virgin ground lying between Mandy and Hudson Bay ore body.

* * *

Quesnelle Quartz Mining is starting to block out definite tonnage, its ore zone being proved to 400-ft. depth, Newton J. Ker, president, advises shareholders. The present crosscut on the 400-ft. level is being continued for another 100 feet. Two ore zones have already been cut and others are expected to be encountered.

* * *

Siscoe Gold Mines has declared a dividend of five cents per share, payable June 15 to shareholders of record May 31, involving distribution of $230,503 to holders of 4,610,065 shares issued. Siscoe has disbursed a total of 96 cents per share since dividends were started in March, 1932.

Coniaurum Mines has declared a dividend of five cents per share, payable in Canadian funds July 15, 1937, to shareholders of record July 2. The only previous payment on the company's stock was three cents per share, paid Aug. 15, 1932.

* * *

McMillan Gold Mines—After disappointing development work on its property in the Sudbury district of Ontario is currently calling for tenders on purchase of the complete plant and equipment on the Mongowine twp. property.

* * *

Clark Gold Mines — In Kenora mining division, now has its shaft down 250 ft. and expects to continue sinking at an average rate of about 100 ft. per month, reports R. H. Miner, president. Station has been cut at 250 ft., where a working level will be opened, and the third working level will be established at the 375-ft. horizon.

* * *

Capps Gold—Reports that in the north drift of its North Carolina property an average grade of $11.35 has been secured over a width of 4-5 ft. for a length of 128 ft. after eliminating all assays over $50 per ton and making a further cut of 10%. Underground work is steadily extending high-grade ore sections, officials say. The drift on the Jane vein has been extended to more than 200 ft., with the last 100 ft. returning $17.85 over 5 ft., the face being still in ore.

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Siscoe's Output Ahead of 1936

From Our Own Correspondent

MONTREAL.—Siscoe Gold Mines reports a May production of $220,210. This compares with $220,674 in April this year and $193,496 in May, 1936.

Tonnage handled last month totalled 17,726 tons, which compares with 15,987 tons in April and 14,338 tons in May last year.

Mill heads averaged $12.83 last May as against $14.21 in the previous month and $14 in May of last year.

Current Chatter From Manitoba

From Our Own Correspondent

WINNIPEG. — Central Manitoba Mines Ltd., which in its history of the past few years has often been near the closing down point, has again got a short renewal of life. It had been anticipated it might be necessary to close down the mill by the end of the present month but the discovery of another lens of ore from a branch of the Kitchener shaft will keep the mill supplied at least until the middle of June and perhaps longer. In the meantime, exploratory work on the 850 foot level is being continued.

At present directors are considering the report of John Reid, which is understood to recommend a small amount of diamond drilling.

* * *

Flin Flon Gold

Flin Flon Gold, four miles south of Flin Flon, has temporarily suspended underground operations. A skeleton crew is keeping the property in shape and ready for immediate resumption of activity and in the meantime two tons of ore has been shipped out on which exhaustive tests will be made to determine the most satisfactory milling procedure. Arrangements are now being made to obtain capital to finance the construction of a mill.

* * *

Molybdenite Deposit

A discovery of molybdenite has been made on the Manigotogan River by J. J. Papineau, and considerable surface work has been done in roughly determining length and width, both of which are declared to be satisfactory.

The molybdenite occurs in a feldspar dyke running east and west, and values from samples brought here by Mr. Papineau show a good percentage of the metal. Apex Molybdenite Syndicate headed by Captain George Page and A. F. McKinnon has been formed, and plans pitting, stripping and trenching to prepare the ground for examination by an engineer. The property lies about a mile north of the foot of Perry Davis rapids on the Manigotogan River, approximately 18 miles east of Lake Winnipeg.

* * *

San Antonio

An official report over the signature of J. D. Perrin, president of San Antonio Mines, says there is now over 600 feet in length of new ore on the second level known as the 07 and 08 series of veins and the east heading is still in ore. The winze from the 1,050-ft. level to the 1,500-ft. level has been completed and stations cut on three levels. It will be the end of the current month before anything is known of the veins.

Delnite Mines Mills To Be Ready Before July

The new 200-ton mill at the Porcupine property of Delnite Mines, subsidiary of Sylvanite Mines, will be ready for operation before July 1, Edward L. Koons, president, forecasts in the annual report of the company covering operations for the fiscal year ended March 31.

Decision to sink the new shaft to 1,000 feet, an objective which will soon be reached, and expenses in connection with mill construction required expenditures in excess of the amounts called for under the option agreements made with Erie Canadian Mines, Sylvanite's wholly owned exploratory subsidiary. Accordingly an issue of 6% convertible debentures was authorized, of which $315,000 was offered to shareholders at 80% of par. Sylvanite Gold Mines underwrote this amount. Of the total amount of $423,894 received by Delnite during the year $194,336 represents payments for which stock has been or will be issued to Erie Canadian under the option. The balance represents a loan payable to Erie Canadian, to be repaid through issuance of the debentures. During the year 70,000 shares were issued as fully paid shares to Erie Canadian Mines for two claims protecting the dip of the ore body at depth.

Reporting on conditions at the mine, W. S. Maguire, superintendant of Sylvanite and former general manager of Delnite, who has been forced to resign from the latter position owing to pressure of work, states that from the start of operations until the end of March, 1937, a total of 5,701 feet of drifting has been done, of a total of 12,276 feet of underground work. In this work, a total of 1,642 feet of ore has been developed having an estimated average grade of $7.91 per ton over an average width of 5.1 feet.

Ontario Plans Road Outlay

Programme For Mine Areas Entails Expenditure of $474,745

Details of the 1937-1938 road building programme of the Ontario Government to be carried out in conjunction with the Federal Government, shows a planned expenditure of approximately $474,745 in bettering existing roads into Ontario's mining camps, and constructing new roads. One of the most important expenditures is the sum of $70,000 to be spent on an extension of work done last year on a winter road from the old Jackson Manion mine to the Uchi and Argosy operations in the northern Patricia district.

Owing to reduction in the Dominion Government appropriation, it has been necessary to curtail to some extent the anticipated programme, but the economy will be effected by lowering the standard of road built, rather than in the number of projects to be undertaken, Hon. Paul Leduc, Ontario minister of mines reports.

The various projects, together with the estimated cost are as follows:

	$
Pickle Crow	32,745
Beardmore—Sand River	20,000
Michipicoten Area—Wawa Jct.	4,000
Michipicoten Area	15,000
Goudreau—Lochalsh	5,000
Goldpines to Argosy	70,000
Gowganda to Tyranite	20,000
Tyranite to Houston Lake	20,000
Houston Lake to Westree	15,000
Wendigo	10,000
Nezah to Sturgeon River	10,000
Horwood Lake	4,000
Bidgood	2,000
Little Long Lac to Bankfield	7,000
Geraldton—Little Long Lac—Hardrock	5,000
Canadian Nepheline Syenite	4,000
Three Duck Lake	7,500
Red Lake to Madsen Red Lake	15,000
Afton	8,000
Geraldton to Hutcheson Lake	5,000
Hudson to Vermilion Lake	3,000
Cuniptau Area	4,000
Bankfield to Wild Goose Lake	20,000
Naughton to Lebel Oro	3,000
Lake Geneva to Benny	25,000
Denison Nickel	2,000
Madsen—Red Lake to Faulkenham	5,000
Straw Lake Beach Gold	4,000
Favorable Lake	7,500
Savant Lake Station to Sturgeon Lake	5,000
Omega Mine	1,000
Larder City to Martin-Bird Mine	25,000
Timmins Area — Concordia Mine	13,000
Timmins Area — DeSantis Mine	10,500
Minnehaha Lake to Goldrock	10,000
Melba	3,000
Nighthawk Lake	10,000
Coulson	3,500
Matheson — Munro Road	25,000
Concordia to Clear Lake	4,000
Macassa	2,000
Pickle Lake — Central Patricia — Pickle Crow	10,000
	474,745

Oil Companies Plan Change in Capital

Two meetings of particular interest to investors are scheduled for the next week or so.

Foundation Petroleum Co., is holding a special meeting of shareholders on June 21 in Calgary to discuss changing par value of the company's stock from no par to a par value of 25 cents per share.

Granville Oils is holding a special meeting in Vancouver on June 18 to discuss changing the par from $1 to 25 cents per share and changing the authorized capital from 500,000 to two million shares. This would involve a four for one split in the stock.

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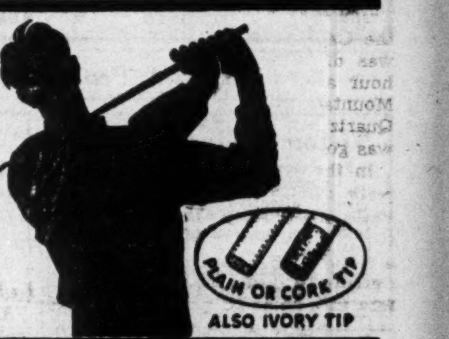

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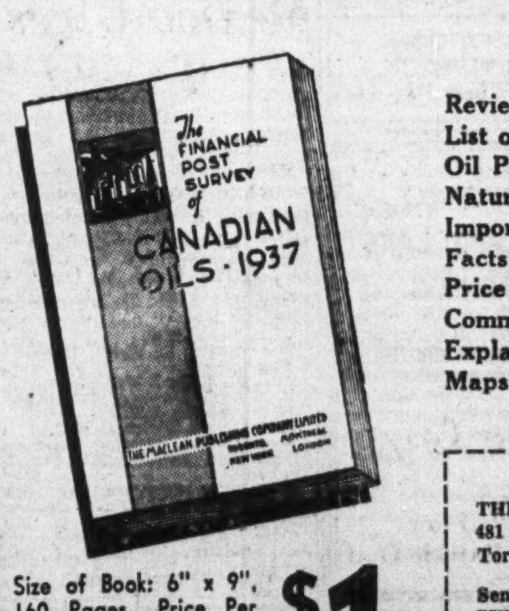
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Transport Bill To Be Revived

Howe Tells Transit Men Regulatory Body Necessary

From Our Own Correspondent

MONTREAL.—The Transport Bill, which was killed in the Senate at the last session of Parliament, will in all probability be reintroduced at the next session, according to a statement made by Hon. C. D. Howe, Minister of Transport, at the annual meeting of the Canadian Transit Association.

"Almost every other country that has a large transportation problem," he told the association, "has applied some form of control, either Federal or state, to all forms of its transportation. This bill had wide public hearings and the weight of evidence, it seems to me, was rather in favor of the bill, although sections of it were strongly attacked.

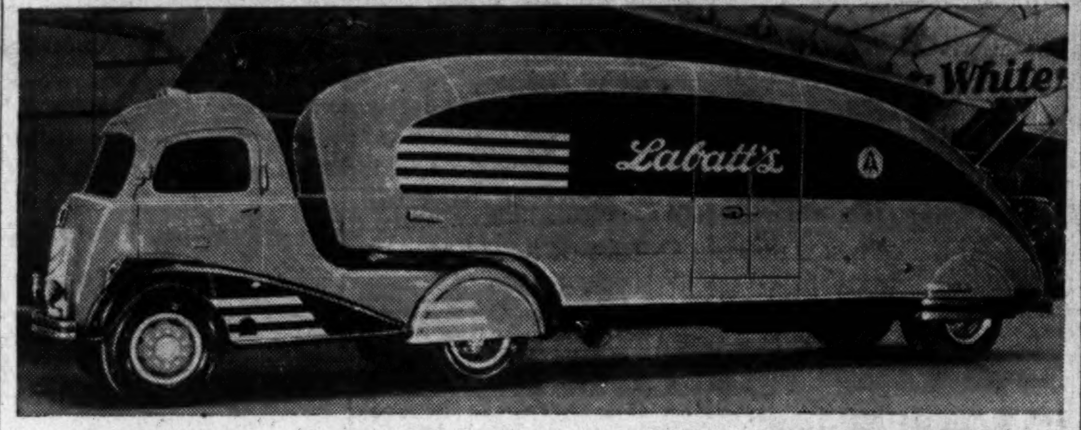
Mr. Howe said he admitted it was going to be a somewhat difficult matter to solve the problem, but he thought it could be worked out slowly. In its railway board, Canada had had 50 to 60 years of experience in the regulation of the rail industry. While the board was not particularly useful at the present time, he felt that if the powers of the board were enlarged and its machinery extended, it could gradually and without damage or disturbance to the industry, work out equitable regulations for all branches of transportation.

Competition With Railways

Considerable attention was devoted by the minister to competition of the automotive forms of transportation with the railways. While admitting that trucks had definite advantages, especially in mobility and in short haul traffic, he considered that the railways were the more economic form of transportation.

The minister made a particularly significant statement to the effect that he was considering a proposal for instituting contracts on certain types of freight as between the motor carrier and the rail carrier.

"I don't see why we should not follow the example of England," he said, "by permitting contracts in certain movements of goods provided they are closely supervised and no discrimination is allowed as between one shipper and another. I am having an examination made of contracts of that type as they are worked out in England as between the motor carrier and the rail carrier and I hope to have some light on that subject shortly."



1942 MODEL

Newest addition to the modernized truck fleet of John Labatt Ltd., London, Ont., the all-streamlined White Motor Co. tractor and trailer unit shown above is regarded as five years in advance of the conventional type of truck and trailer. Designed by Count Alexis de Sakhnoffsky, the unit is powered with a six-cylinder, five-speed motor. It has an overall length of 36 feet and can carry a pay load of eight and one-half tons at relatively low operating cost. The power unit emphasizes the growing use of cab-over-engine construction for commercial motor vehicles.

Ind. Acceptance Business Gains

From Our Own Correspondent

MONTREAL. — Volume of receivables purchased by Industrial Acceptance Corp. during the first four months of 1937 was 62% higher than in the corresponding period of 1936—$10.7 millions as compared with $6.6 millions. Part of this increase may be due to public acceptance this year of the automobile industry's winter showing of new models.

Accompanying the substantial improvement in the volume of receivables, there has been an even greater percentage gain in the ratio of income to volume.

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Jobs Waiting To be Filled

Appointments Are Due to New Quebec Boards

From Our Own Correspondent

QUEBEC.—A number of important appointments are scheduled to be made by the Duplessis Government in the near future, to staff various commissions created during the legislative session which ended last week.

Chief of these will be the naming of the members of the electricity commissions. There are three boards to fill, with a total of some 18 members. Another board is to look into the fair wages measure passed in the dying days of the session.

It is probable that Hon. J. Bilodeau, Minister of Municipal Affairs, under whose jurisdiction falls the Tourist Bureau, will head the new Tourist Council, with other Government officials filling the majority of posts.

Compensation Commission

Another matter which may be taken up is that of the personnel of the Workmen's Compensation Commission. The law governing the operations of this commission, and its personnel, was considerably overhauled during the course of the session. The clause providing that the chairman of the commission should receive an annual salary of $10,000 and the members $8,000 each, was struck out.

This is taken to mean that there is no official salary for the commissioners, and that they may either remain in office, with the Government fixing their rates of pay, or else resign. To date they have not resigned, and it is unknown whether they will or not. If the commissioners are maintained in office by the Government—as is quite possible, even though the chairman is a cousin of ex-Premier L. A. Taschereau—it is more than likely that salaries will be given a healty cut, possibly 50%. The Duplessis Government is pruning large salaries wherever possible.

Seek U. S. Entry For C.P.R. Boats

From Our Own Correspondent

MONTREAL. — An application has been made to the Inter-State Commerce Commission by the Canadian Pacific Railway to operate a steamship service into United States Great Lakes ports.

In its application the C.P.R. said it had been advised that the Great Lakes Transit Corp., formerly handling this lake service, would wholly discontinue operations of its vessels and Lake Michigan trade.

The C.P.R. proposes to provide the service between Port McNicoll, Ont., and Milwaukee and Chicago. The C.P.R. for many years has operated a steamship service between Port McNicoll, Sault Ste. Marie and Fort William.

Montreal Power Electric Sales Up

Demand for Energy Continues Upward, But Gas Sales Still Easy

From Our Own Correspondent

MONTREAL. — Montreal Light, Heat and Power Consolidated reports an output of electricity during May, excluding secondary and export power, of 90.2 million kw.h. This contrasts with 82.9 million kw.h. as compared with May last year, an increase of 8.75%.

Production of electricity for the first five months in 1937 totalled 476.5 million kw.h. compared with 453.7 million kw.h. in 1936, an increase of 5.02%.

Montreal Power's gas output in May this year was 463.2 million cubic feet, as against 472.6 million cubic feet in 1936, a decrease of 1.99%.

Comparative gas output for the first five months of 1936 and 1937 was 2,203 million cubic feet, compared with 2,143 million cubic feet, a decrease of 2.70%.

B. C. Fishermen See Threat In U. S. Floating Canneries

From Our Own Correspondent

VANCOUVER.—British Columbia fishermen are concerned over the announcement by American fishing interests that they will operate vessels just outside the Canadian three-mile limit. Ostensibly these operations would be confined to pilchard and similar fish, but if permitted they would probably interfere seriously with established B. C. packing plants.

Only a few weeks ago B. C. Packers, Ltd., announced plans for expanding its pilchard reduction works along the coast. Unrestricted fishing off the coast by American and Japanese floating canneries, it is claimed, would make tremendous inroads on the schools of fish approaching the Canadian shore.

The B. C. division of the Canadian Manufacturers' Association has already protested to Ottawa, pointing out that the contemplated action by United States fishermen would throw the door open to ruthless fishing of salmon and halibut offshore, in defiance of all recognized conservation measures.

The American interests are said to be planning use of half a dozen larger cannery boats off the Washington coast with seiners operating far afield into waters just beyond Canadian territorial limits.

Fishing will start off the Washington and Oregon coasts July 15. Abundance of fish and prospects of plenty of fishermen brought offers of $11 a ton from the reduction vessels to purse seiners, which is $2 a ton more than was paid last year.

Canada-U.S. Links Conference Topic

International Affairs to be Discussed at Kingston

Tariffs and trade movements, financial inter-relationships, labor organization and other major factors in the affairs of this continent, will be discussed by speakers at the second conference on Canadian-American Affairs, at Queen's University, Kingston, June 14-18. The conference is an important phase of the survey of Canadian-American relations launched four years ago by a group of 70 educationists directed by Dr. James T. Shotwell, economics-history director of the Carnegie Endowment for International Peace.

Sponsorship of the conference is jointly by Queen's University the Carnegie Endowment, and the St. Lawrence University at Canton, New York, where the first conference was held in 1935. Canadian speakers at the gathering will include:

W. H. Moore, M.P.
Prof. Hubert R. Kemp, University of Toronto.
Prof. W. B. Hurd, McMaster.
R. H. Coats, Dominion statistician.
M. C. MacLean, D.B.S.
Prof. Griffith Taylor, U. of T.
Ernest Ingles, Canadian vice-chairman, International Brotherhood of Electrical Workers.
J. W. Dafoe, editor, Winnipeg Free Press.
Principal R. C. Wallace of Queen's University.

The Governor-General, Lord Tweedsmuir, will be guest of honor at a luncheon on June 17.

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Canada Cement Co. Chatham Plans Progress

From Our Own Correspondent

MONTREAL. — Canada Cement Co. has taken up option on a site at Chatham, N.B., chosen for the erection of a storage and bagging plant.

Ratepayers of the town have approved unanimously an annual tax of $1,225 on the company's land and proposed buildings for a period of 10 years.

Transit Men Elect Officers

Canadian Association Fills Posts for Ensuing Year

From Our Own Correspondent

MONTREAL.—Canadian Transit Association has selected R. N. Watt, vice-president and managing director of the Montreal Tramways Co., as its president for the ensuing year, with E. W. Arnott, transportation manager of the B.C. Electric Railway Co., Vancouver, as vice-president. E. B. Walker, general superintendent of Canadian National Railways' electric lines was re-elected as treasurer and H. J. Curtis, of the Provincial Transport Co., Montreal, as auditor.

Other officers elected by the Association were as follows:

Honorary president, G. Gordon Gale, Hull; honorary vice-president, Acton Burrows, Toronto; honorary advisory council, Hon. T. Ahearn, P.C., Ottawa; E. Anderson, K.C., Winnipeg; V. Cusson, chairman, Montreal Tramways Commission; R. G. Ivey, K.C., London; W. G. Murrin, M.I.E.E., Vancouver; Wm. C. McBrien, Toronto.

Following are members of the executive committee:

The president, the vice-president, the treasurer, the immediate past president (W. J. Lynch, Quebec); Major F. D. Burpee, Ottawa; C. H. Dahl, Winnipeg; W. S. Hart, Three Rivers; D. W. Harvey, Toronto; J. B. Hayes, Nova Scotia; H. R. Mallison, Montreal; H. C. Patten, Toronto; L. Tait, London; K. B. Thornton, Montreal; C. E. Waller, Hamilton.

Creditors Get 7% On Stobie Assets

Liquidators of Winnipeg Firm Report Unsold Assets at $27,500

A further dividend of 7% has been paid recently to creditors of Stobie-Forlong-Matthews, Ltd., Winnipeg, by the liquidator, W. S. Newton. A dividend of 5% was paid on Nov. 10, 1936, and, with the present payment, a total of 22% of creditors' claims will have been paid.

Statement of assets and liabilities of Stobie-Forlong-Matthews, Ltd., as at March 15, 1937, shows assets of $89,249. This includes cash of $61,749 and assets remaining unsold, including sundry securities at an estimated value not exceeding market price, of $27,500. Payment of the 7% dividend would require approximately $56,000.

Total liabilities to general creditors, after deducting the 15% dividends paid prior to March 15, 1937, were $687,441. Creditors' claims originally totalled $808,780 and payments to March 15, 1937, amounted to $121,339.

Stobie-Forlong-Matthews, Ltd., is the bankrupt estate of the former Winnipeg stock brokerage firm. It was affiliated with the Toronto stock brokerage firm of Stobie-Forlong which is also in liquidation under the name of Stobie-Forlong Assets, Ltd.

Statement of Receipts & Disbursements
Year Ended March 15, 1937

	$
Cash on hand at Mar. 15, 1936	40,602
C.N.R. 3% bonds, $10,000 par	8,730
	49,332
Add: Realizations during year:	
Sale of securities	54,553
Collection of receivables	5,358
Sale of furniture	75
Dividends received	1,146
Interest received	189
Total receipts	110,653
Less: Disbursements:	
Dividends to creditors	40,419
Legal fees paid (net)	559
Liquidator's fees (2 years)	6,000
Liquidator's expenses	1,926
Cash on hand at Mar. 15, 1937	61,749

Canada Cement Sales Adance

Pass Half-year Mark With Future Outlook Good

From Our Own Correspondent

MONTREAL.—Volume of business handled by Canada Cement Co. during the first half of the current fiscal year is understood to have shown a moderate improvement over that for the corresponding period a year ago.

Earnings are largely concentrated in the second half of the year and it is still too early to tell how business is likely to shape up for the full 12 months.

A factor affecting the showing this year is the reduction in fixed charges which resulted in the refunding operation of last fall. The saving in this regard, together with the anticipated improvement in earnings, is expected to enable the company to show a net profit in excess of the present $4 dividend on the preferred.

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HEADS TRANSIT MEN

R. N. Watt, vice-president of Montreal Tramways Co., who has been elected president of the Canadian Transit Association for the 1937-38 year.

Commercial Alcohols Sales Ahead This Year

From Our Own Correspondent

MONTREAL. — Shareholders of Commercial Alcohols Ltd. were told at the annual meeting that sales of alcohol and magnesia showed an increase during April and May, the first two months of the current fiscal year.

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